



Small & Medium Enterprise Sentiment Tracker

Wave 74 – April 2025



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By combining innovative methodologies, proven frameworks, and the latest AI-driven tools, we deliver deep, evidence-based insights that enable our clients to anticipate change, make smarter decisions, and drive sustainable growth.

our culture

We are fiercely committed to providing our team with the skills and knowledge they need to be successful in their careers.

We believe that when people feel valued, respected, and supported, they are unstoppable forces for good. They are also more likely to be creative and innovative, which is essential for driving growth and innovation.

Our culture is one of our greatest strengths. It is what attracts and retains top talent, and it is what drives our success. When everyone feels like they belong, they are more likely to be their best selves.





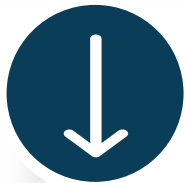
25% of SMEs reported year-on-year revenue growth up from 19% in March.



37% of SMEs are growth focused up from 34% in March



Three-quarters of SMEs believe the Trump Administration will negatively affect the Australian economy (up from 52% in January)



Lowest levels of confidence in global economic conditions over the past 12 months (net -64%)

SMEs Push Forward Despite Economic and Geopolitical Challenges

Ongoing geopolitical tensions continue to weigh on SME sentiment. Confidence in global economic conditions over the next three months has fallen to a 12-month low, with a net confidence rating of -64%. In April, 75% of SMEs expected the Trump Administration to negatively impact the Australian economy, marking the fourth consecutive month of rising concern, reflecting fears of trade disruption and global instability driven by unconventional foreign policy.

While economic pressures remain the leading concern, more SMEs cited new technology adoption (25%), workforce efficiency (22%), and talent upskilling (20%) as major challenges. Managing geopolitical risks also continues to rise in importance, cited by 20%.

Despite these challenges, SME revenues rebounded in April, with 25% reporting higher turnover than a year ago, up from 19% in March. Encouragingly, 60% reported a profit, continuing an upward trend since February. Hiring intentions also improved, with 14% expecting to increase staff, up from 10% last month.

Marketing sentiment also strengthened, with 18% projecting increased spend over the next three months. Accordingly, 37% of SMEs are targeting growth, up from 34% in March, while 29% expect revenue growth over the next four weeks.

However, capital investment remains flat, and longer-term trends across equipment and vehicle categories continue to decline, suggesting SMEs are extending asset lifecycles. After a sharp dip in March, demand for additional finance rebounded to the 12-month average in April. Notably, demand for funds to support new market expansion spiked, as businesses seek alternatives to the US in response to shifting trade conditions.

April also saw a modest uptick in approval for the Federal Government ahead of the May election. With the incumbent Government winning in a landslide, it is clear many previously dissatisfied voters ultimately supported the government, reflecting a perceived lack of viable alternatives among SME decision makers.



Overall, while geopolitical tensions and economic uncertainty continue to challenge SMEs, April delivered signs of cautious optimism, with improving revenue, profit, hiring, and marketing intentions. Despite weak investment and ongoing concerns about global conditions, more SMEs are targeting growth, signaling a willingness to adapt in an increasingly complex environment.



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Key Performance Indicators

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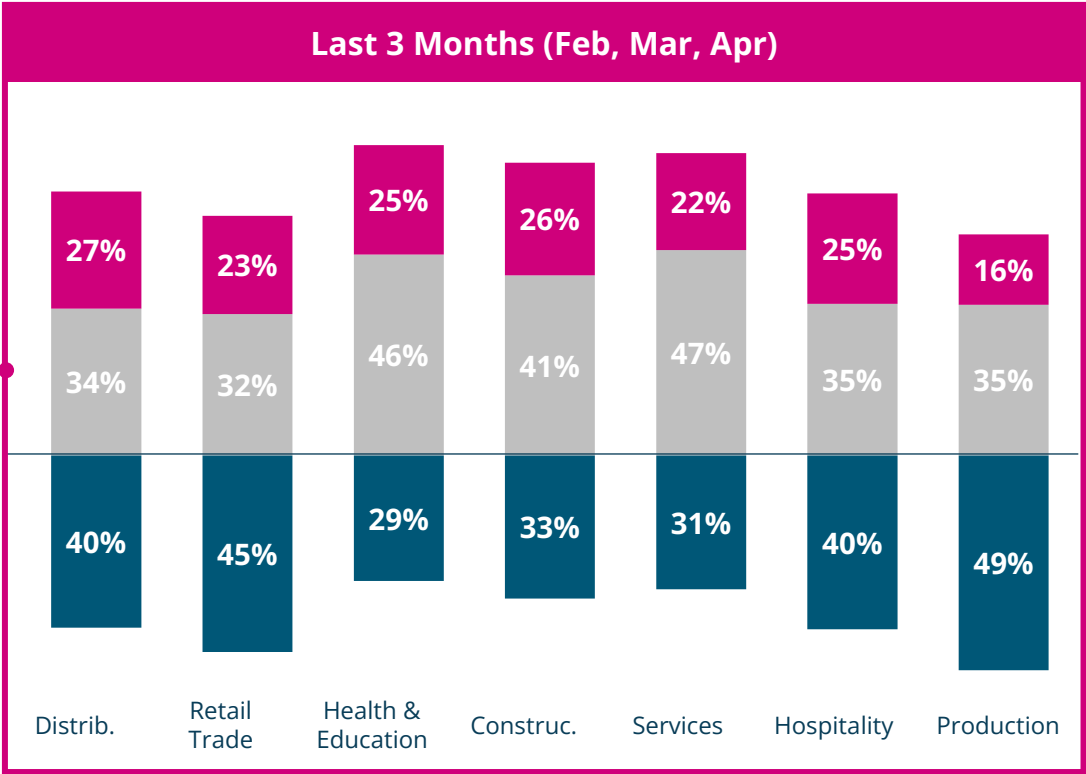
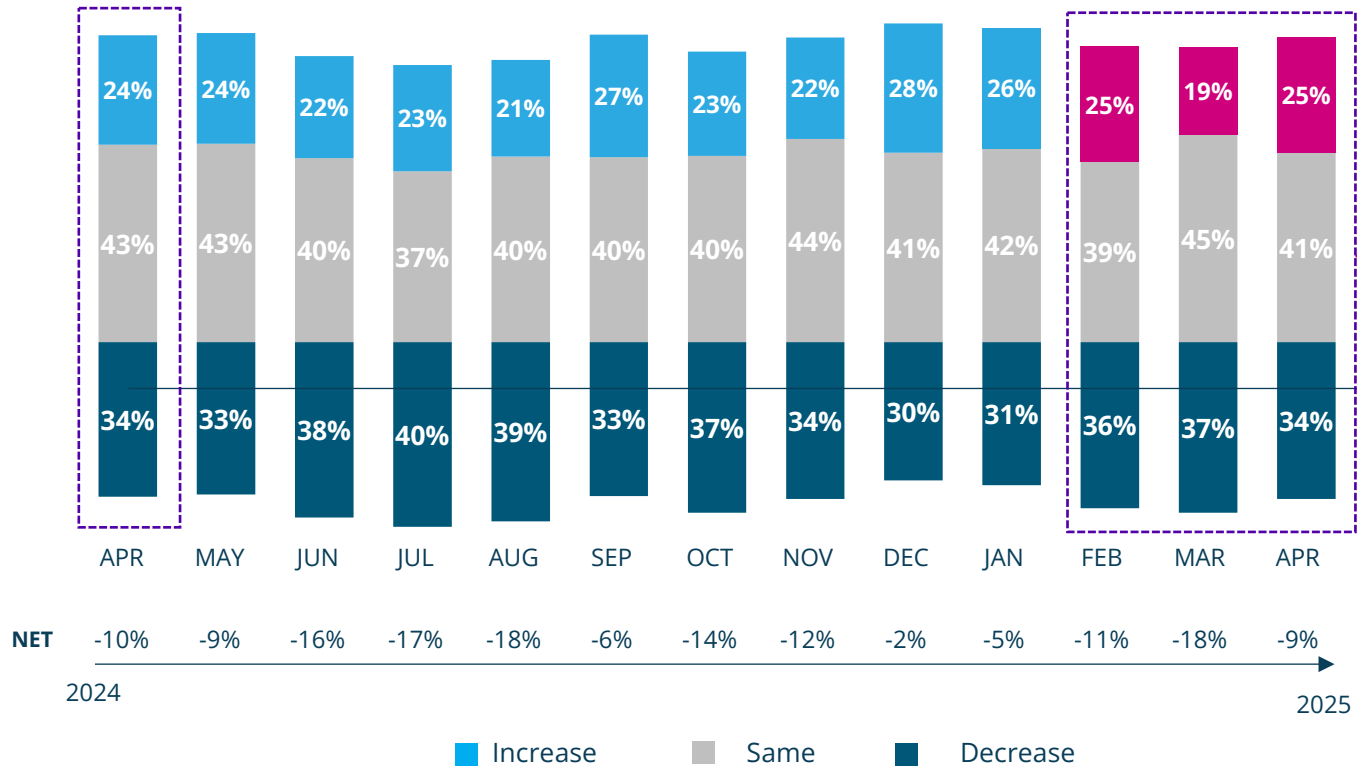
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Methodology & Sample

Key Performance Indicators | Revenue

After a difficult March, SME revenues rebounded in April, with 25% reporting higher turnover than a year ago, up from 19% in March.

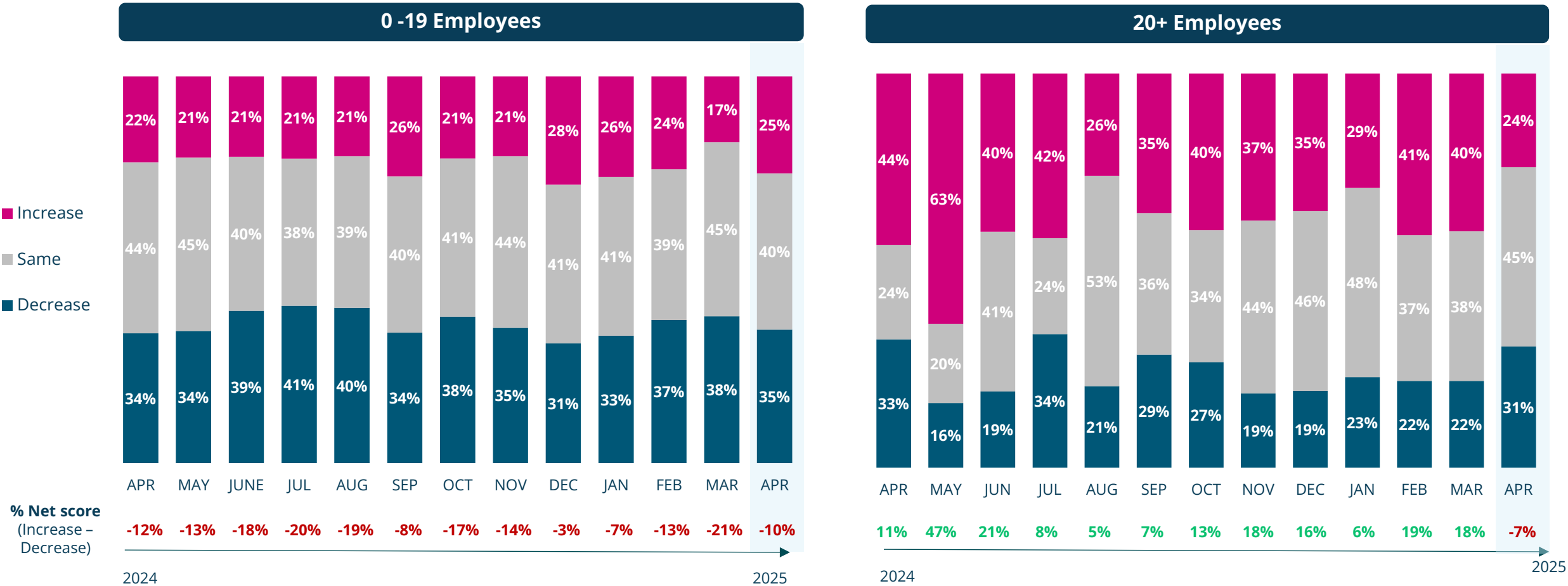
How Does Your Current Monthly Revenue Compare To Your Monthly Revenue 12 Months Ago?



Key Performance Indicators | Revenue

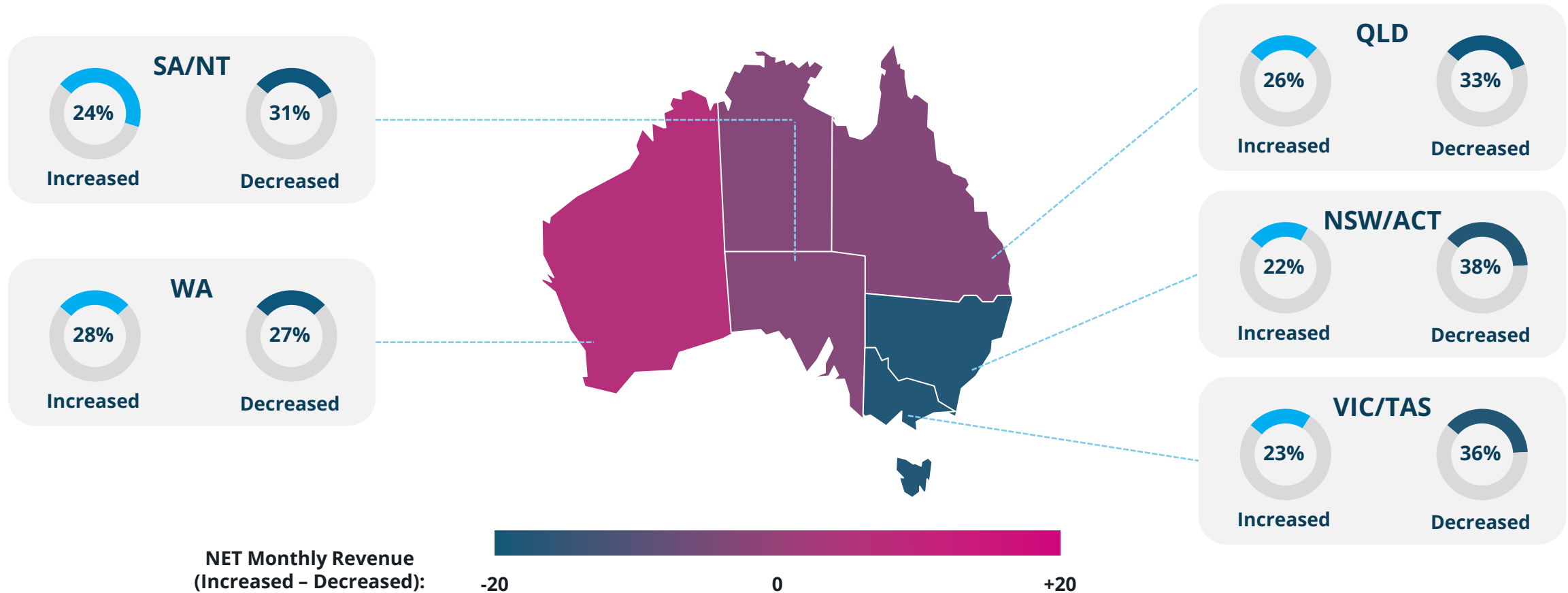
The rebound was driven by revenue growth among smaller SMEs (0–19 employees), while larger businesses (20+ employees) reported much weaker revenue. This suggests that global economic uncertainty is starting to affect larger businesses, which are more likely to be engaged in export markets.

How Does Your Current Monthly Revenue Compare To Your Monthly Revenue 12 Months Ago?



SMEs in the larger states of NSW/ACT and VIC/TAS reported the most significant revenue declines, while QLD and WA recorded the strongest gains.

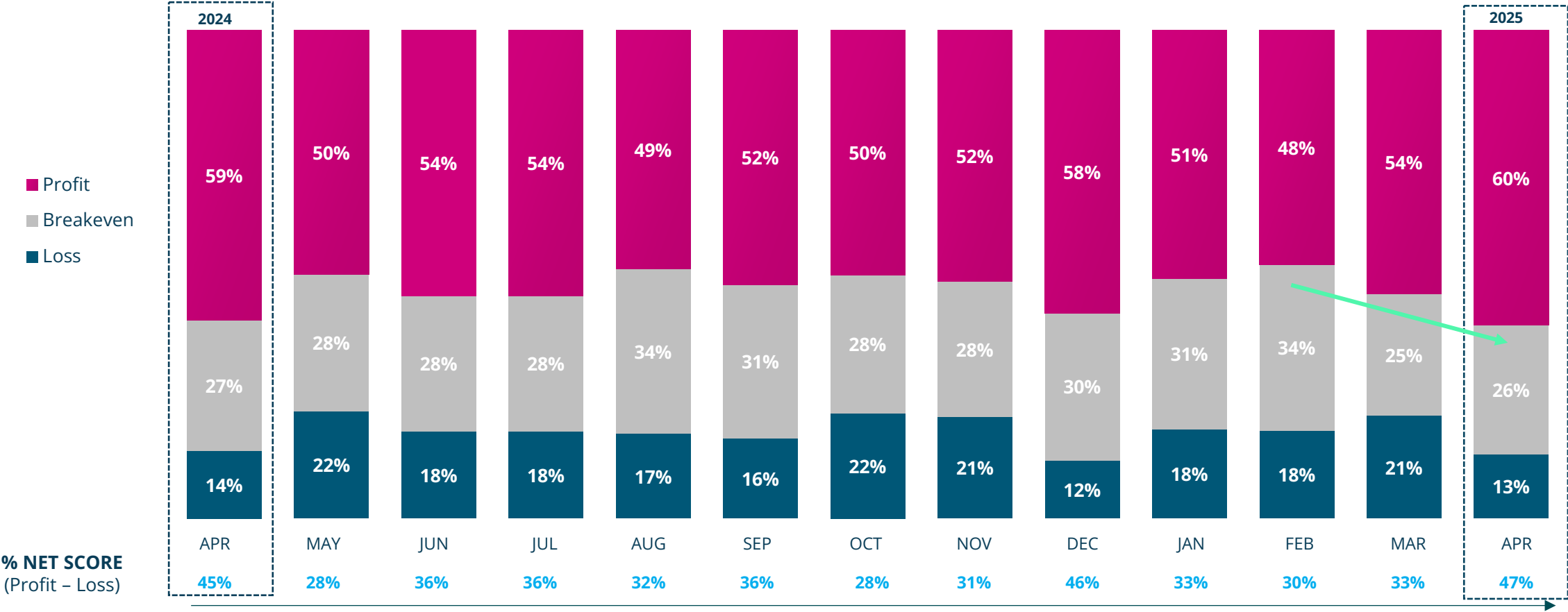
How Does Your Current Monthly Revenue Compare To Your Monthly Revenue 12 Months Ago? – FY25TD



Key Performance Indicators | Profit

It's very encouraging that 60% of SMEs recorded a profit in April 2025, continuing the upward trend since February. Similar results were reported in April 2024, suggesting that April is consistently a strong month across the SME sector, likely reflecting seasonal business cycles and activity.

What Was Your Profit Margin Last Month?



Key Performance Indicators | Responding To Challenges

April was also an active month for SMEs, marked by an increase in initiatives to optimise product and service offerings, improve efficiency, renegotiate supplier arrangements, and assess project viability, therefore contributing to the stronger profitability outcomes.

How Is Your Business Responding To The Challenges Posed By Ongoing Inflation And Increasing Costs?

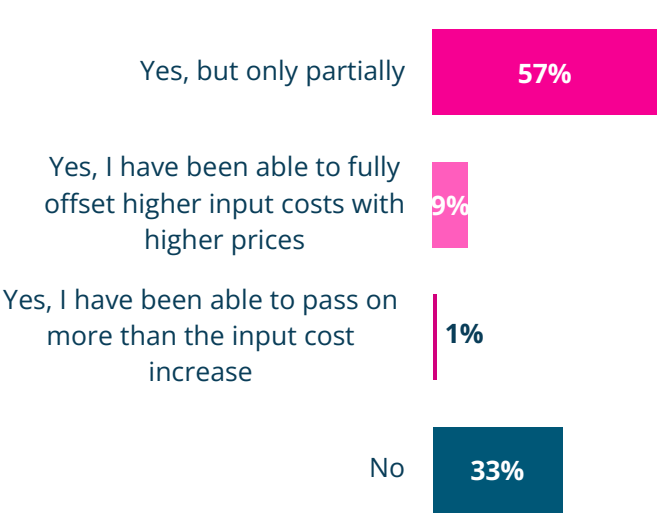
April		December	January	February	March	April
Discontinuing products/services that are not profitable.	30%	31%	26%	27%	26%	30%
Enhancing efficiency by streamlining business operations.	28%	22%	17%	18%	24%	28%
Renegotiating supplier contracts or seeking new supply sources.	25%	22%	17%	20%	21%	25%
Reassessing current projects and significant investments for viability and impact.	23%	17%	18%	21%	21%	23%
Expanding the range of products/services to generate new revenue streams.	23%	22%	17%	18%	24%	23%
Adopting new technologies for increased automation and operational efficiency.	16%	22%	27%	25%	16%	16%
Maximising staff productivity through better training and optimisation.	15%	16%	19%	13%	15%	15%
Refining inventory management practices for better efficiency.	14%	15%	8%	15%	14%	14%
Undertaking debt restructuring to reduce financial burdens.	12%	12%	11%	10%	12%	12%
Implementing workforce reductions, such as layoffs or hiring freezes.	11%	9%	9%	8%	8%	8%
Consulting banks and/or financial counsellors about financial hardship.	8%	9%	7%	5%	6%	8%
Shifting towards the use of renewable energy sources.	6%	7%	9%	6%	9%	6%
Delegating non-essential functions to external providers.	6%	11%	8%	7%	6%	6%

Key Performance Indicators | Cost Recovery

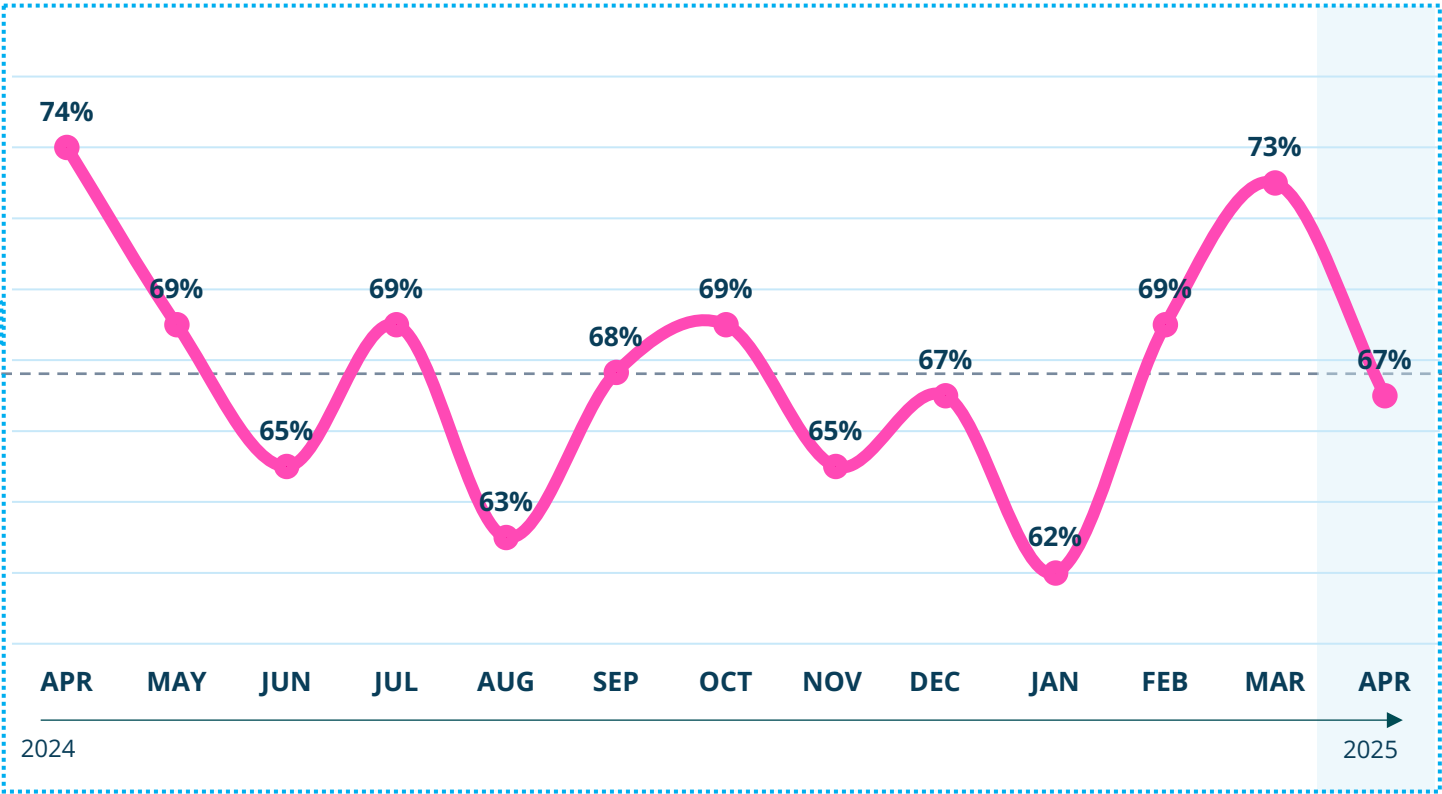
The share of SMEs able to pass on higher input costs fell to 67% in April, aligning with the 12-month average. With inflation stabilising, SMEs may be more inclined to absorb price increases, however, this could shift quickly if trade conditions deteriorate due to new tariffs.

Have You Been Able To Pass On Higher Input Costs To Your Customers?

April



YES

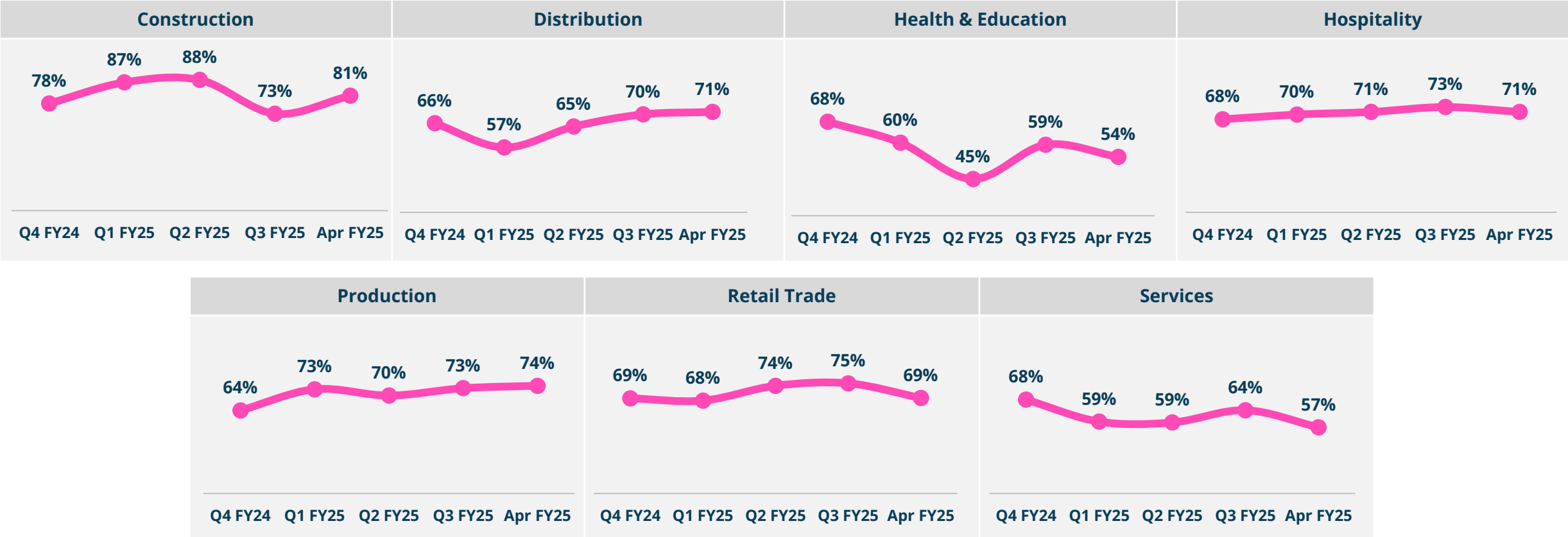


12-month average: 68%

Key Performance Indicators | Cost Recovery

In April, the most notable shifts in cost recovery occurred in the Construction sector. The Retail sector also saw a decline, suggesting weaker consumer confidence.

Have You Been Able To Pass On Higher Input Costs To Your Customers? (Yes)





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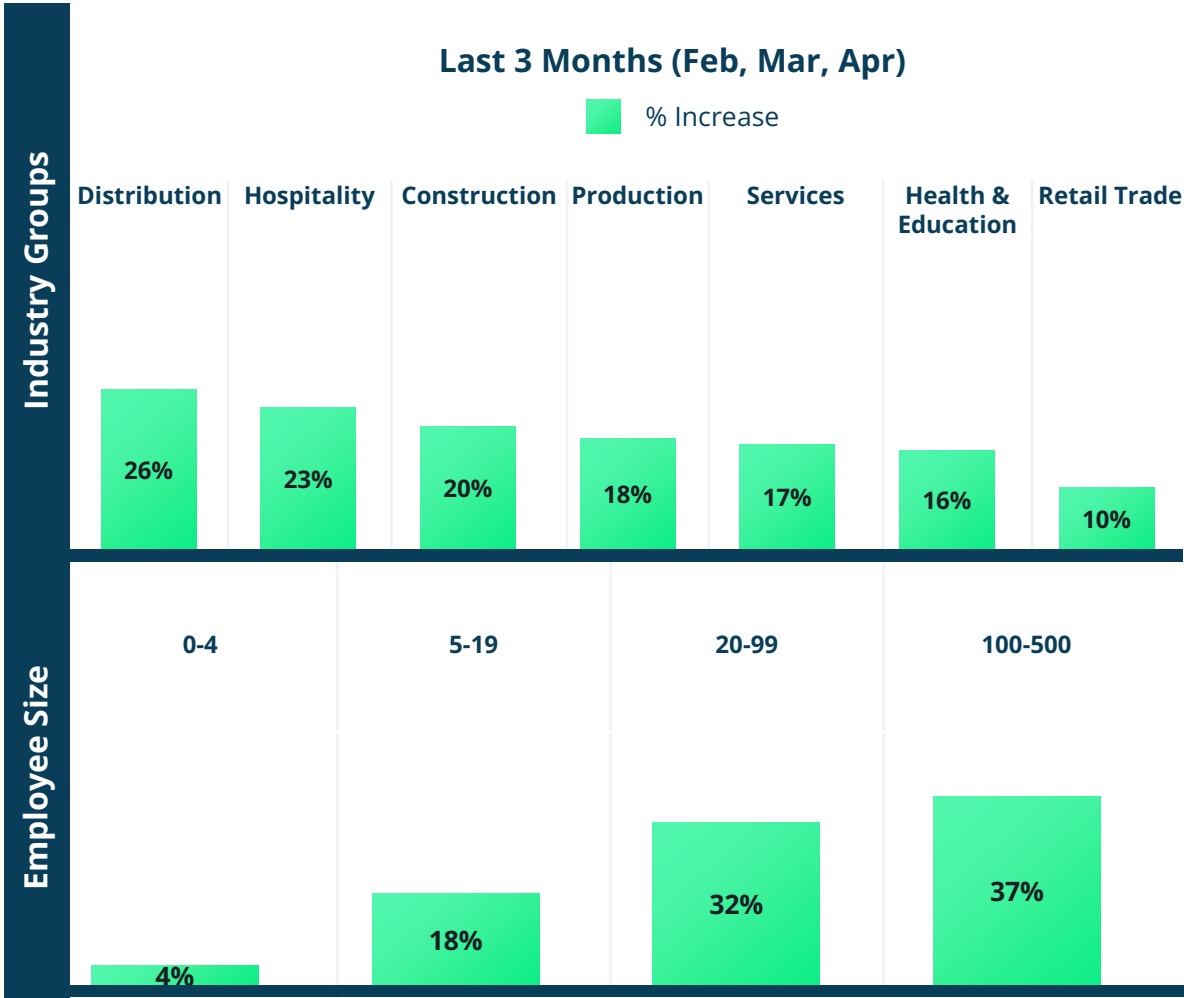
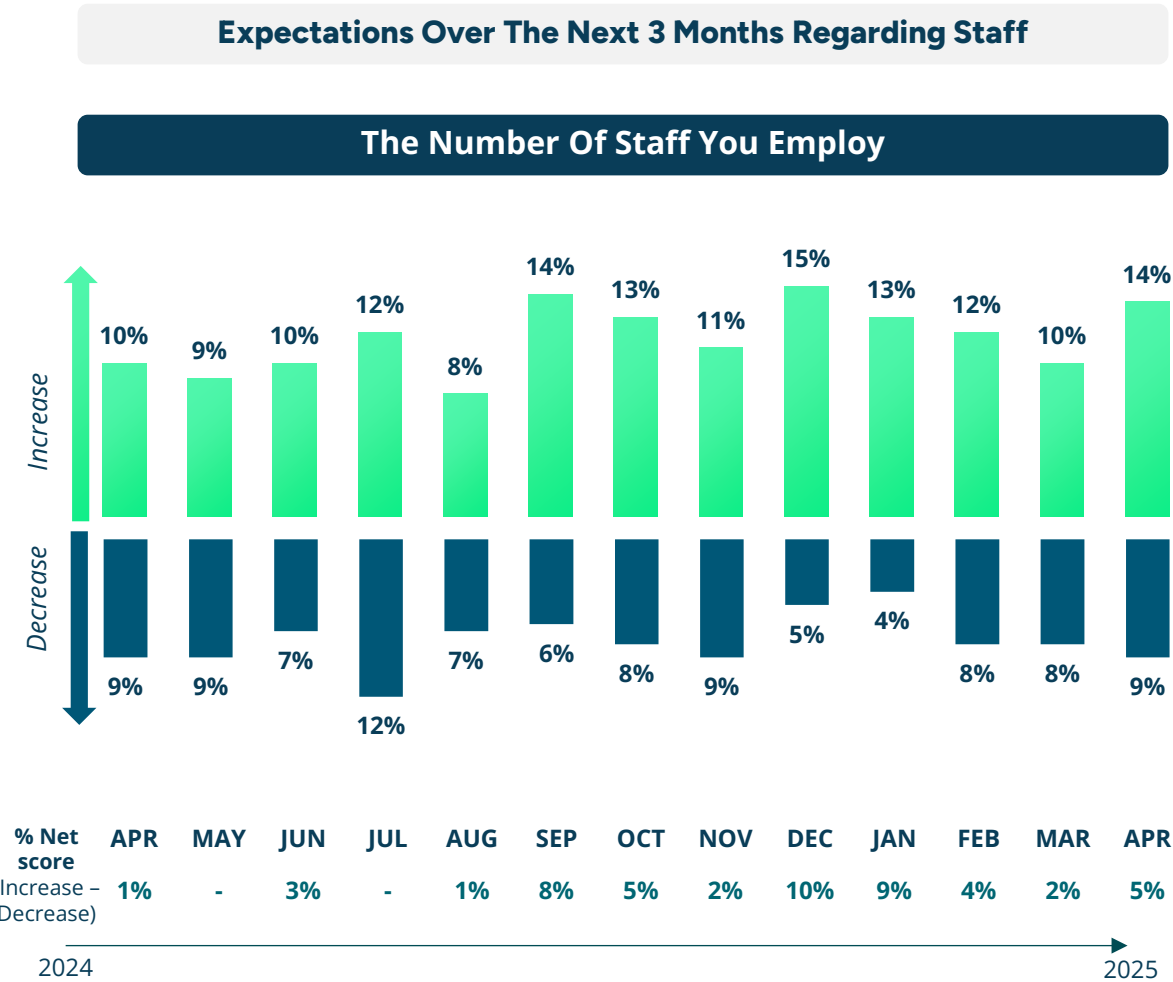
Business Investment

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Methodology & Sample

Key Performance Indicators | People

In line with revenue and profitability, hiring intentions also picked in April.

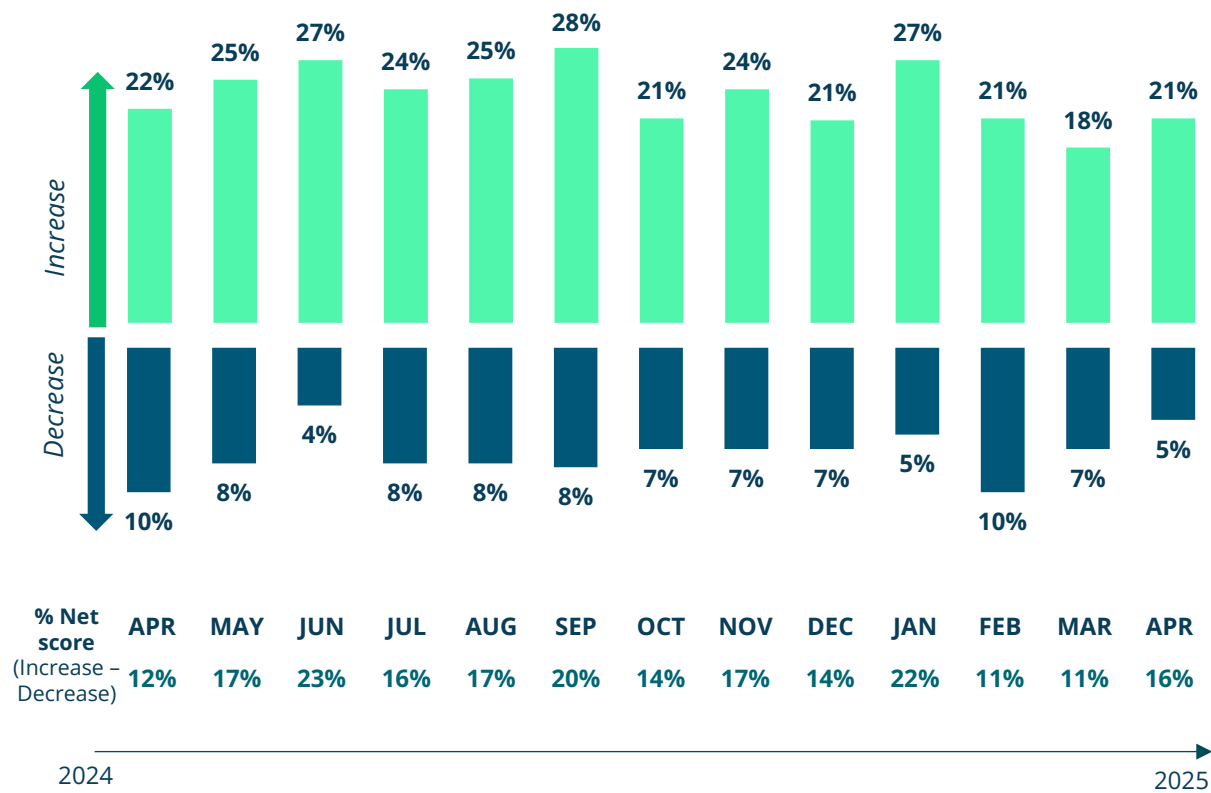


Key Performance Indicators | People

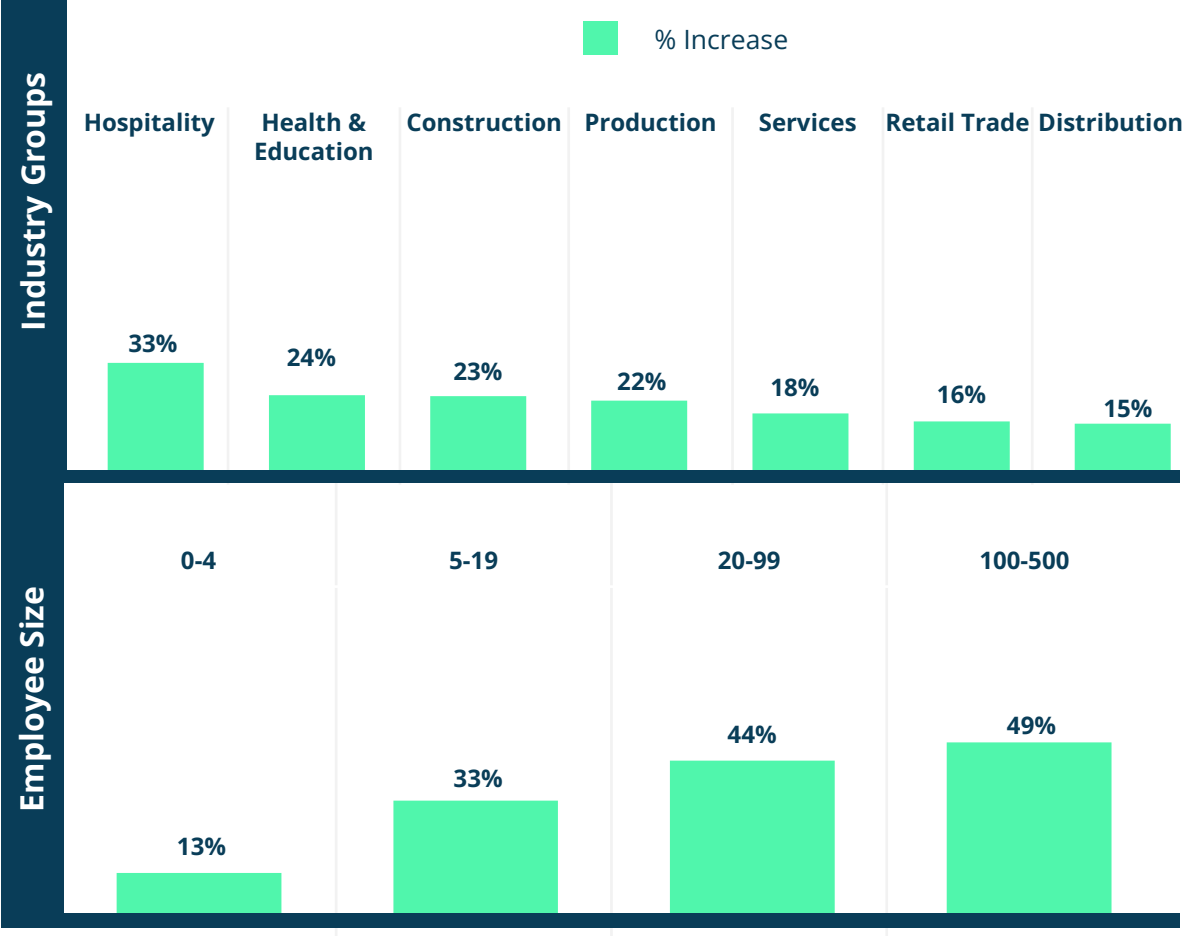
With hiring intentions rising, wage growth is also expected to increase over the next three months.

Expectations Over The Next 3 Months Regarding Wages

The Wages You Pay



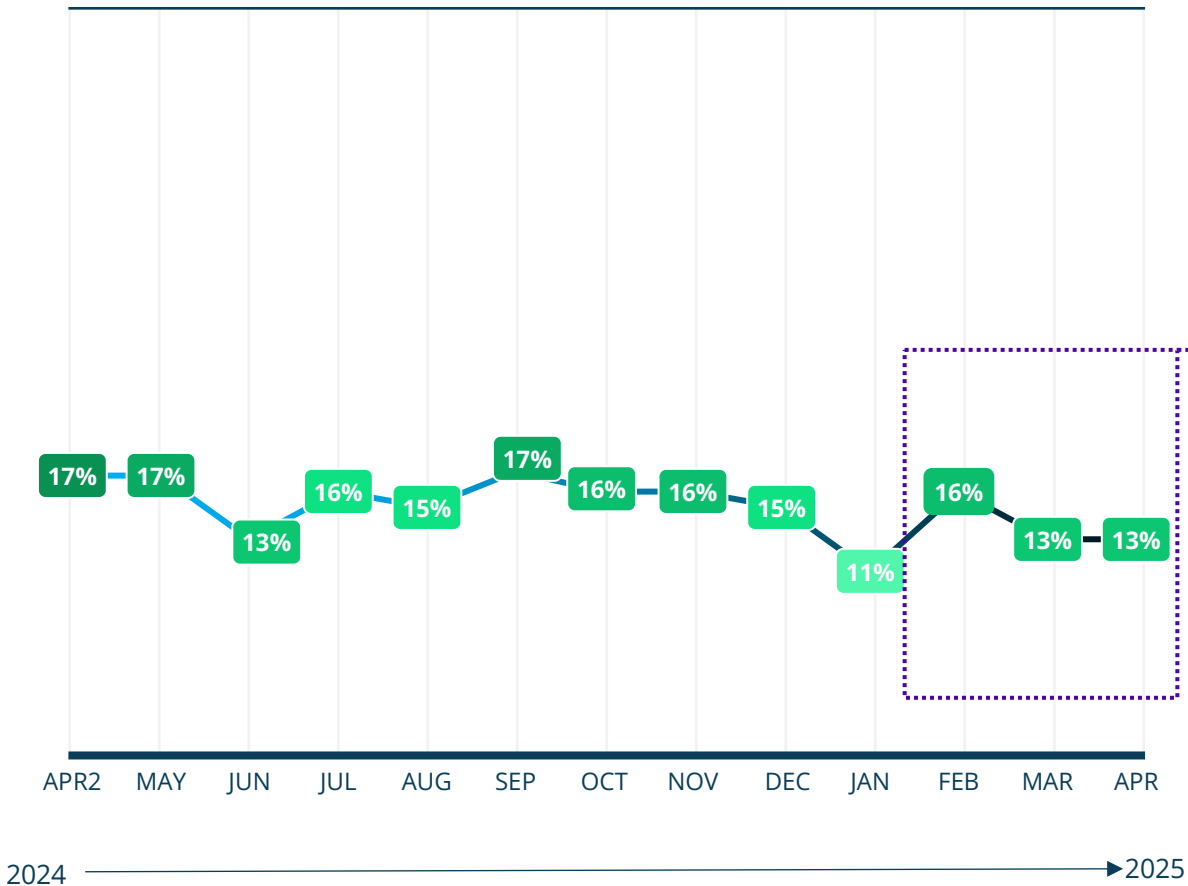
Last 3 Months (Feb, Mar, Apr)



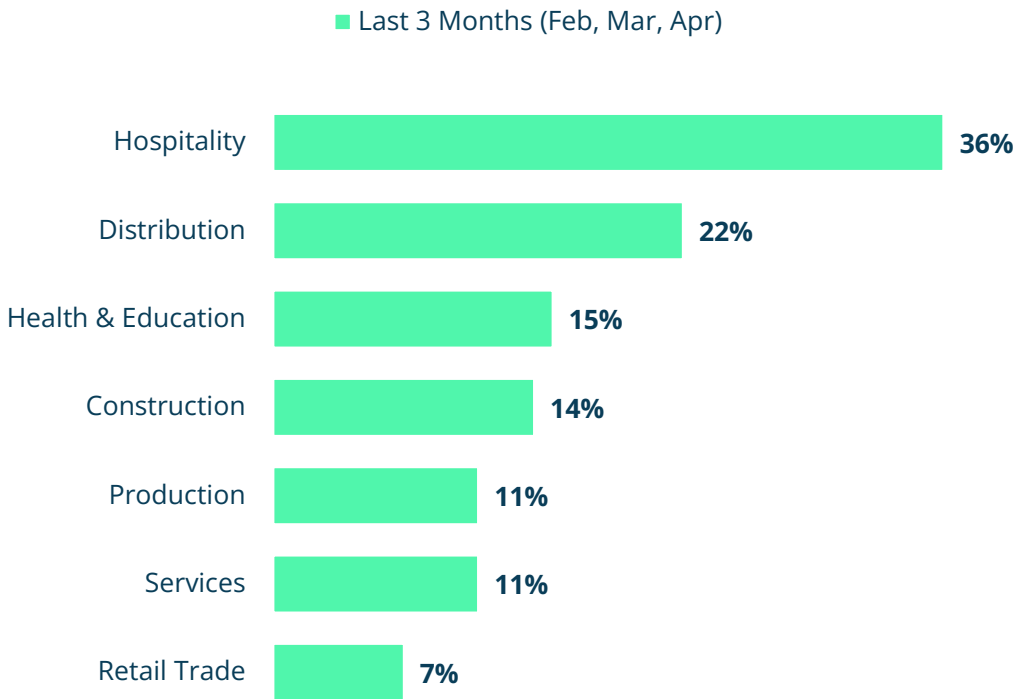
Key Performance Indicators | People

Despite hiring intentions increasing for the next three months, the proportion of SMEs actively recruiting in April remained steady at 13%, suggesting decision-makers are still waiting for greater certainty following the election and amid the ongoing macroeconomic environment, including interest rates.

SMEs That Currently Have Job Roles They Are Trying To Fill



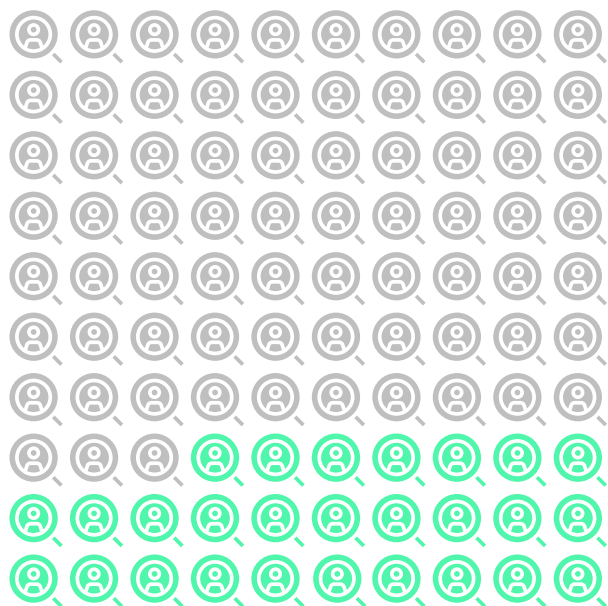
Current Job Vacancies By Industry



SME job vacancies have steadily declined year-on-year, reflecting a cooling labour market, as SMEs temper hiring amid growing economic uncertainty and tighter business conditions.

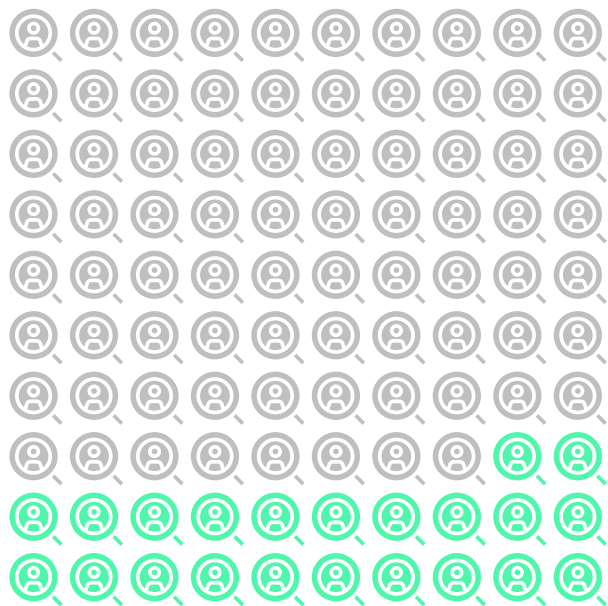
SMEs That Currently Have Job Roles They Are Trying To Fill

FY23



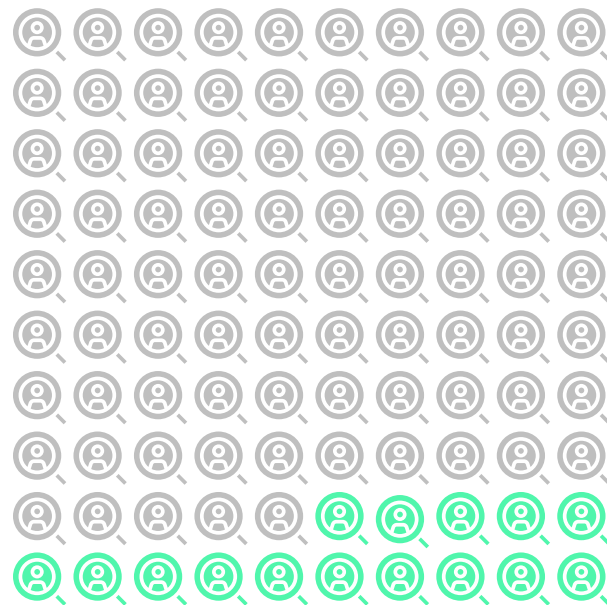
27% with job vacancies

FY24



22% with job vacancies

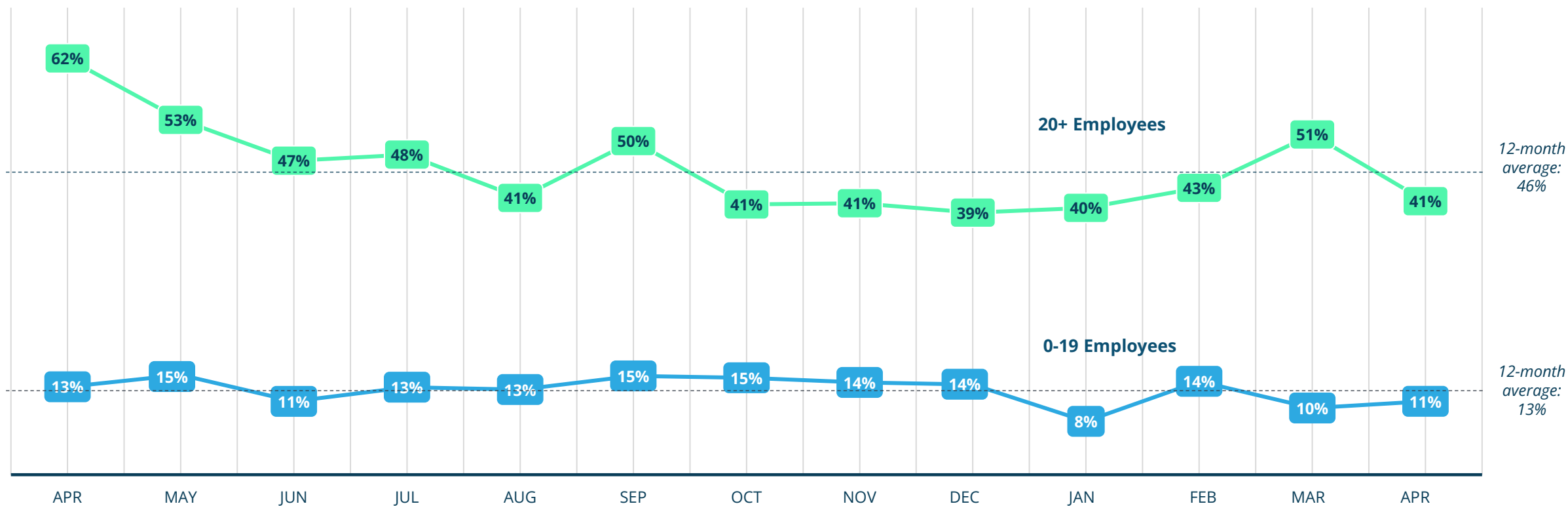
FY25TD



15% with job vacancies

Recruitment activity amongst larger SMEs (20+ employees) dropped significantly in April in line with the very weak revenue data.

SMEs That Currently Have Job Roles They Are Trying To Fill

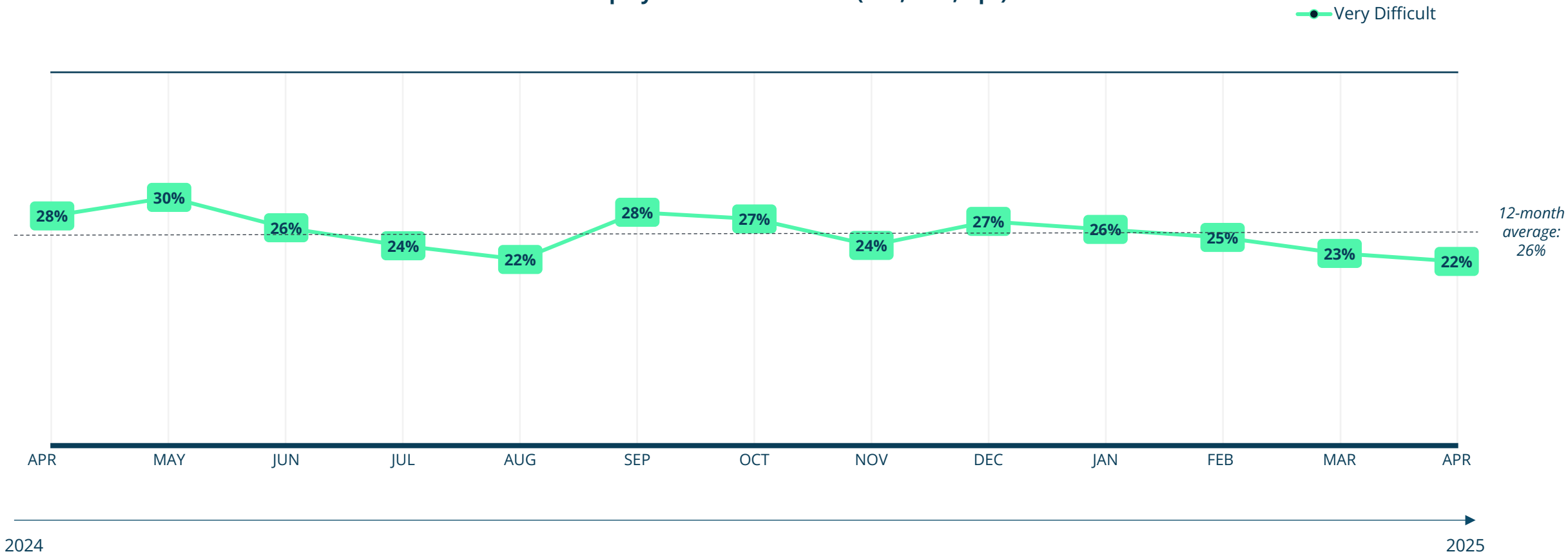


2024 → 2025

With recruitment activity declining, the proportion of SMEs reporting difficulties filling roles continues to fall.

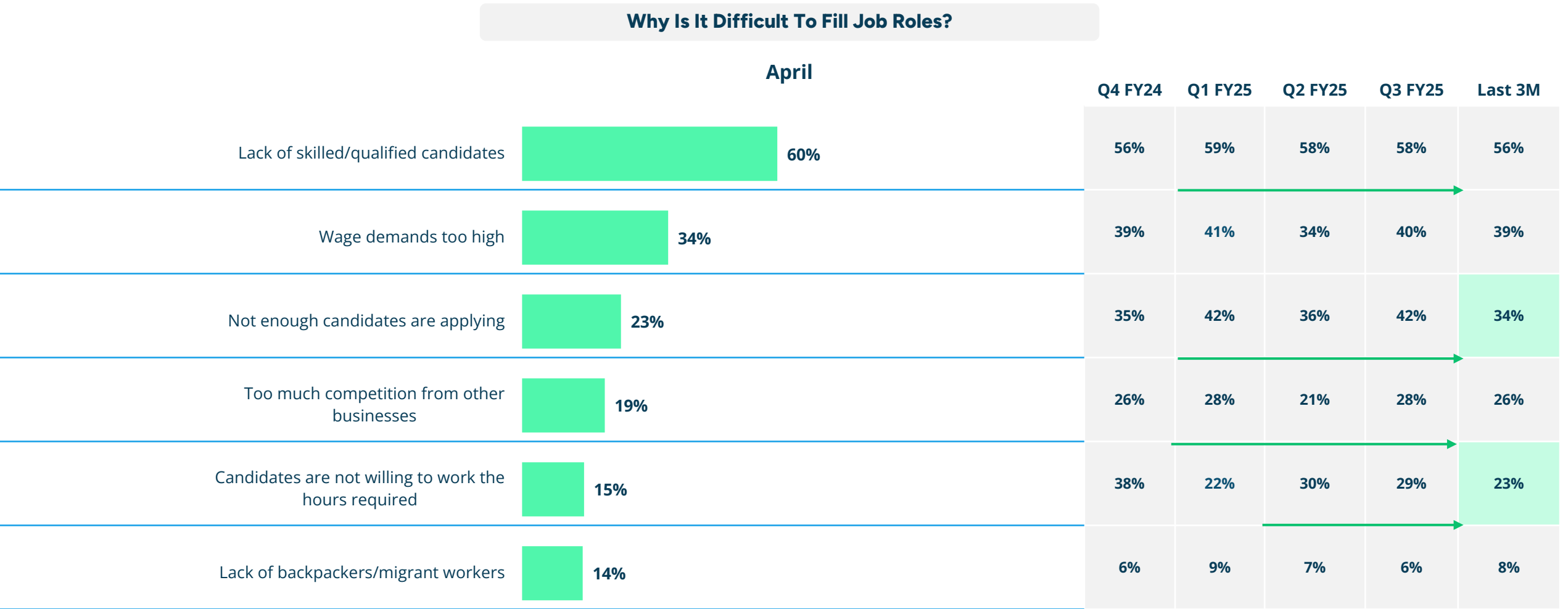
How Difficult Is It To Fill These Roles?

Data displayed as last 3 months (Feb, Mar, Apr)



Key Performance Indicators | People

For businesses with open roles, skills shortages remain the dominant constraint in the current labour market. However, as expected, most constraints are easing, reflecting a softer job market.





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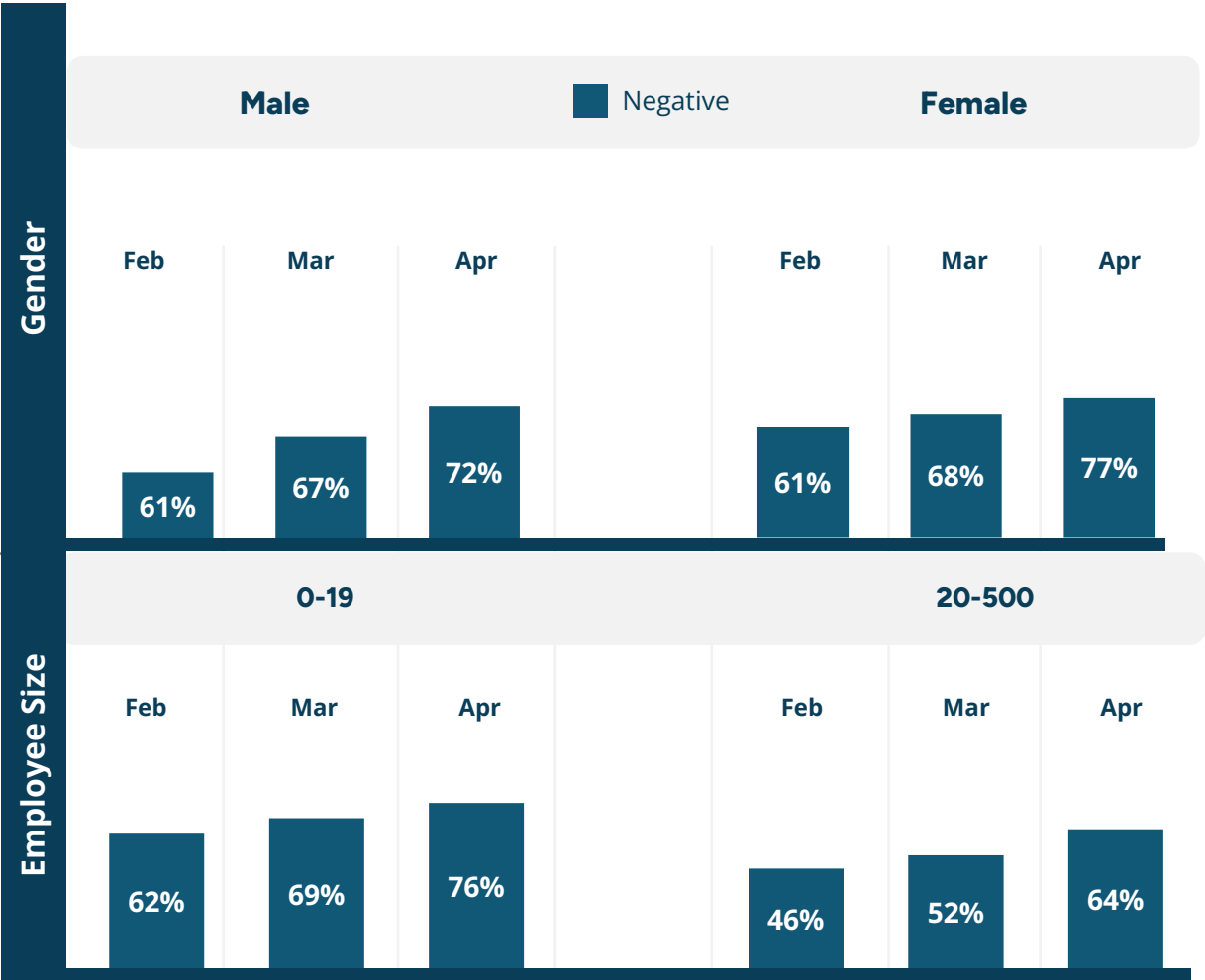
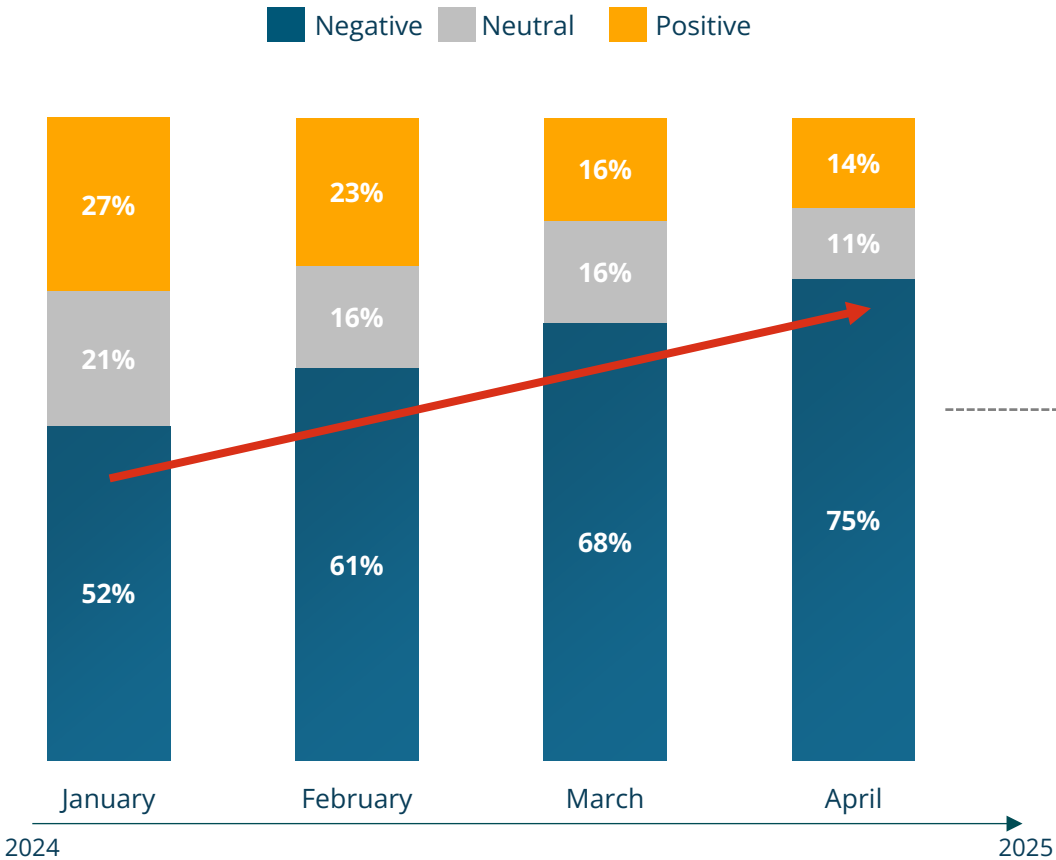
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Methodology & Sample

Business Sentiment | Expectations Regarding Economic Conditions

In April, 75% of SMEs reported that they expect the Trump Administration to negatively affect the Australian economy, marking the fourth consecutive month of rising concern. This increase underscores growing fears of trade disruption and global economic instability driven by unconventional foreign policy.

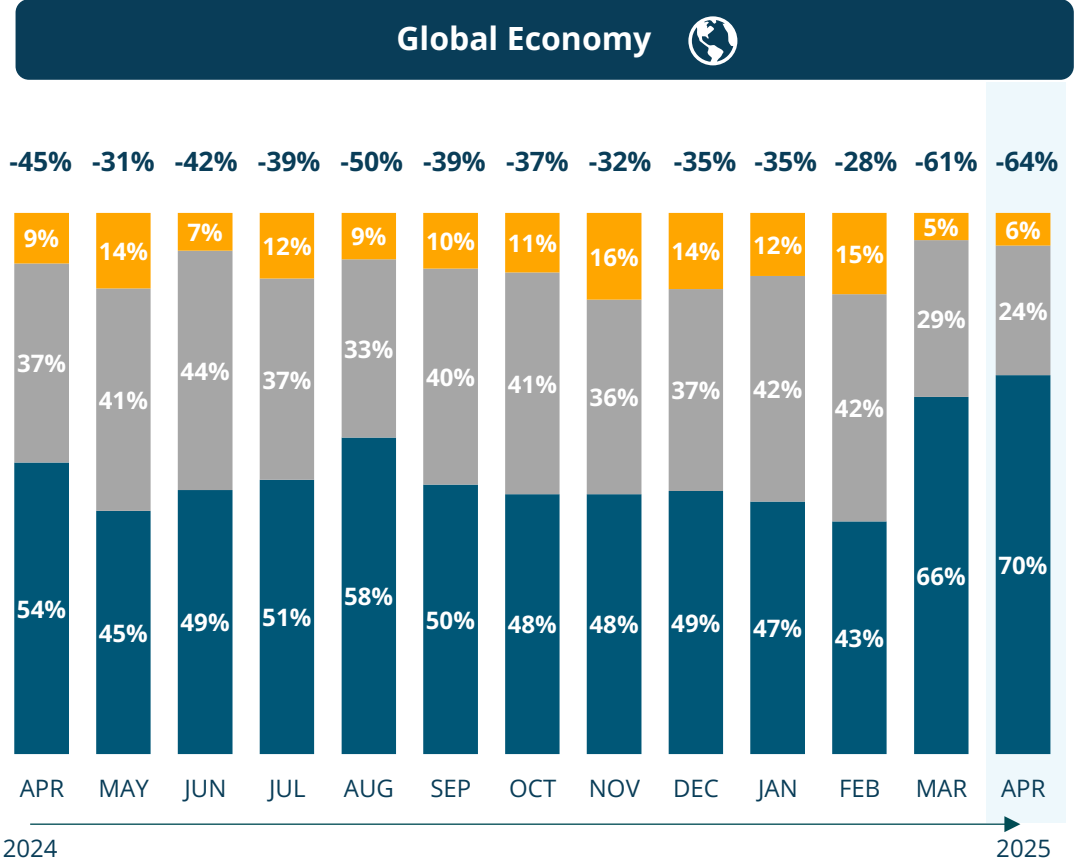
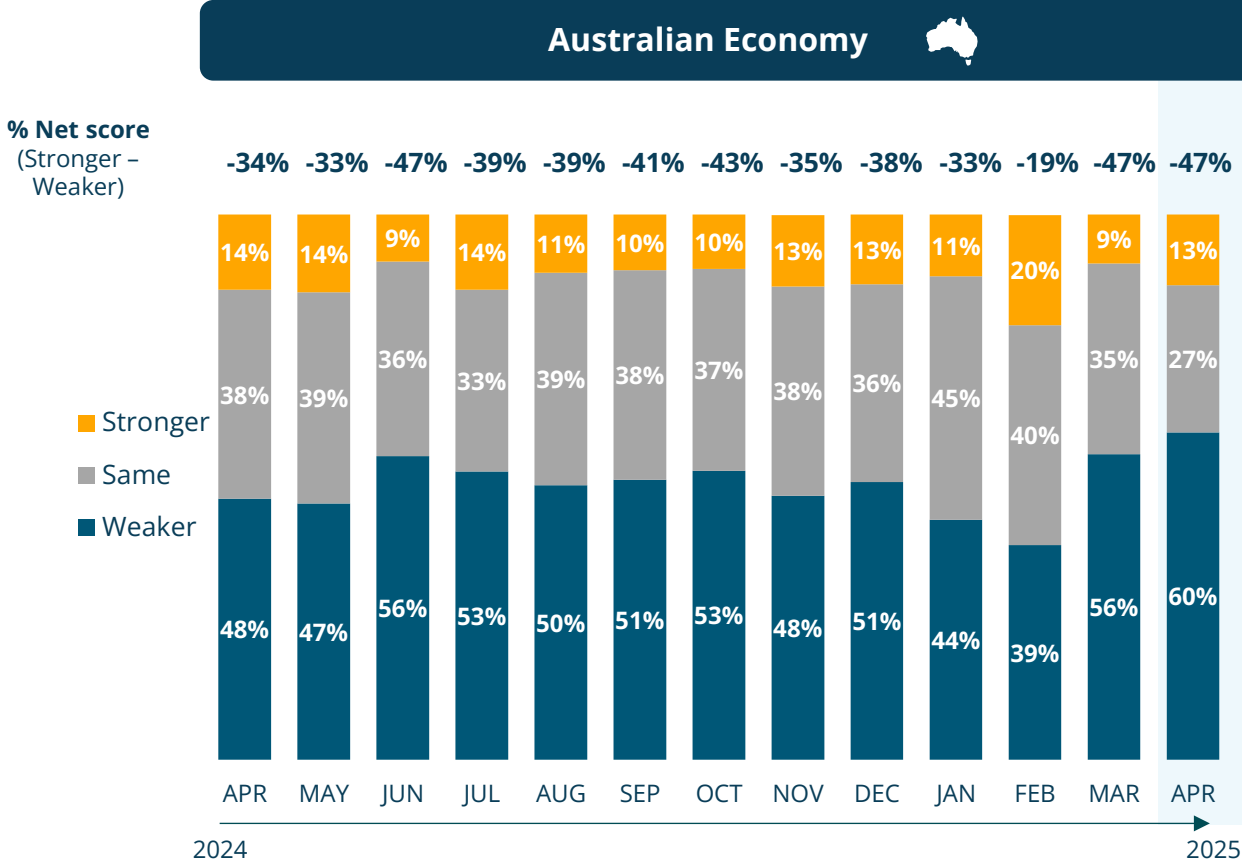
What impact will the Trump Administration have on the Australian economy?



Business Sentiment | Expectations Regarding Economic Conditions (Next 3 months)

In April, net confidence (-64%) in the global economy fell to its lowest level during the past 12 months. Sentiment toward the Australian economy is slightly more positive but remains deeply negative.

Expectations Over The Next 3 Months Regarding Economic Conditions



Business Sentiment | Challenges

While economic pressures remain the leading concern, April recorded higher levels of SMEs citing new technology adoption, workforce efficiency, and talent upskilling as major challenges. Unsurprisingly, managing risk and uncertainties in the geopolitical landscape continues to grow in importance.

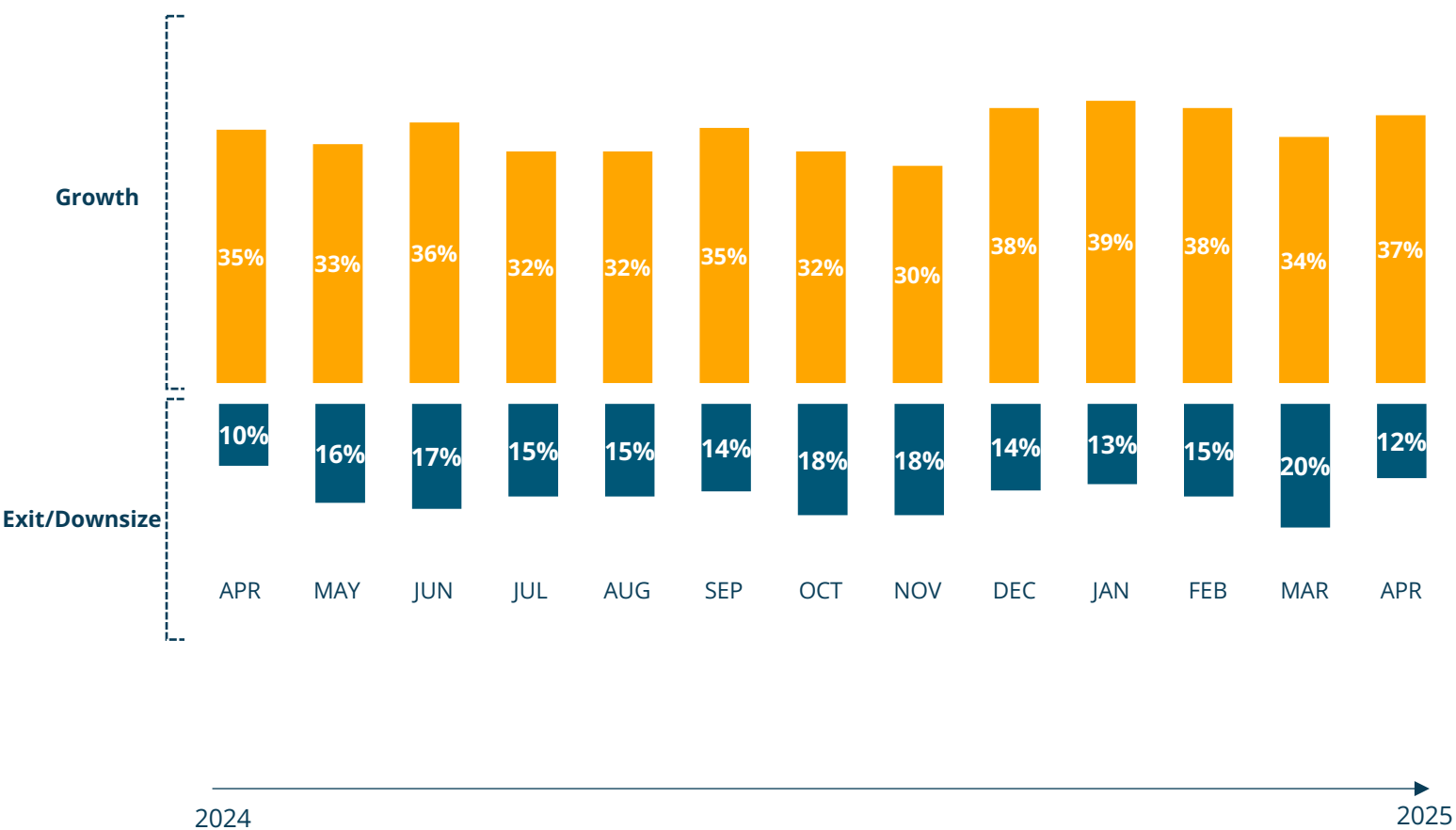
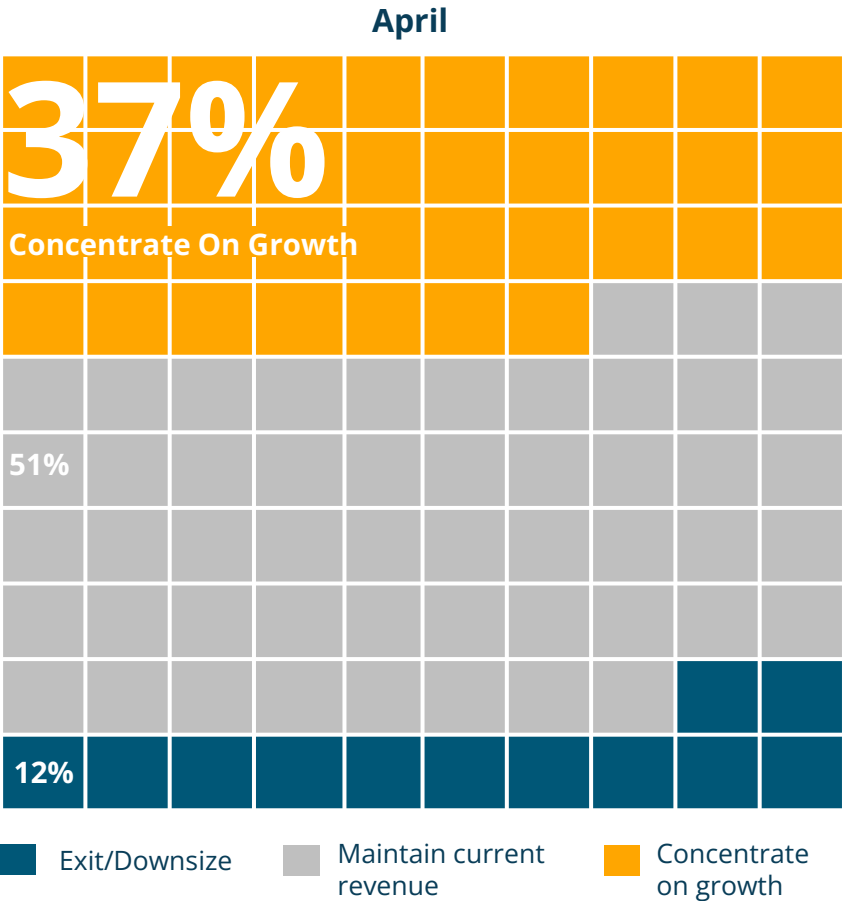
Which Of These Issues Do You Anticipate Will Pose The Most Significant Challenges To Your Business Over Next 3 Months

	April	November	December	January	February	March	April
Addressing the difficult economic outlook and ongoing cost pressures.	44%	45%	47%	44%	42%	46%	44%
Keeping pace with changing customer behaviours and preferences.	38%	35%	42%	32%	38%	40%	38%
Managing the continuous adoption of new technologies and digital transformation processes.	25%	19%	21%	18%	22%	22%	25%
Strengthening defences against cyber threats and ensuring data privacy.	22%	20%	22%	20%	20%	20%	22%
Identifying and implementing measures to boost workforce efficiency and productivity.	22%	18%	18%	20%	14%	16%	22%
Navigating regulatory, compliance, and governance challenges.	21%	20%	22%	20%	20%	20%	21%
Managing risks and uncertainties in the geopolitical landscape.	20%	16%	17%	14%	13%	18%	20%
Acquiring, training, and upskilling talent in a competitive market.	20%	13%	19%	14%	12%	15%	20%
Overcoming difficulties in securing necessary financing.	16%	15%	17%	15%	12%	16%	16%
Strengthening supply chain operations for improved efficiency and resilience.	14%	18%	15%	17%	13%	18%	14%
Implementing strategies to address sustainability issues and climate change impacts.	11%	8%	10%	8%	12%	11%	11%
Prioritising investment in research and development to drive innovation.	7%	8%	7%	8%	8%	7%	7%

Business Sentiment | Growth Expectations (Next 12 months)

Despite high levels of caution, the proportion of SMEs focused on growth rebounded to 37% in April. This is most likely linked to stronger revenue and profit figures recorded this month.

Overall, What Best Describes Your Approach To Business Over The Next 12 Months?



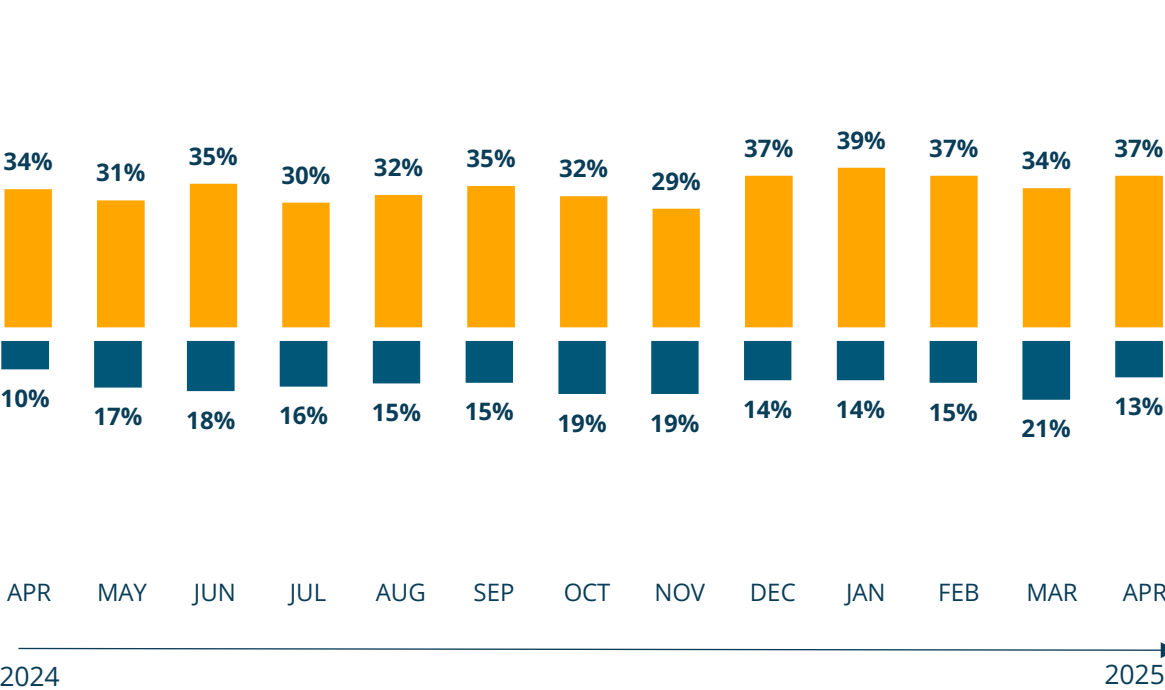
Business Sentiment | Growth Expectations (Next 12 months)

Encouraging that growth sentiment increased across both employee cohorts, especially given the weaker revenue results reported by larger SMEs (20+ employees).

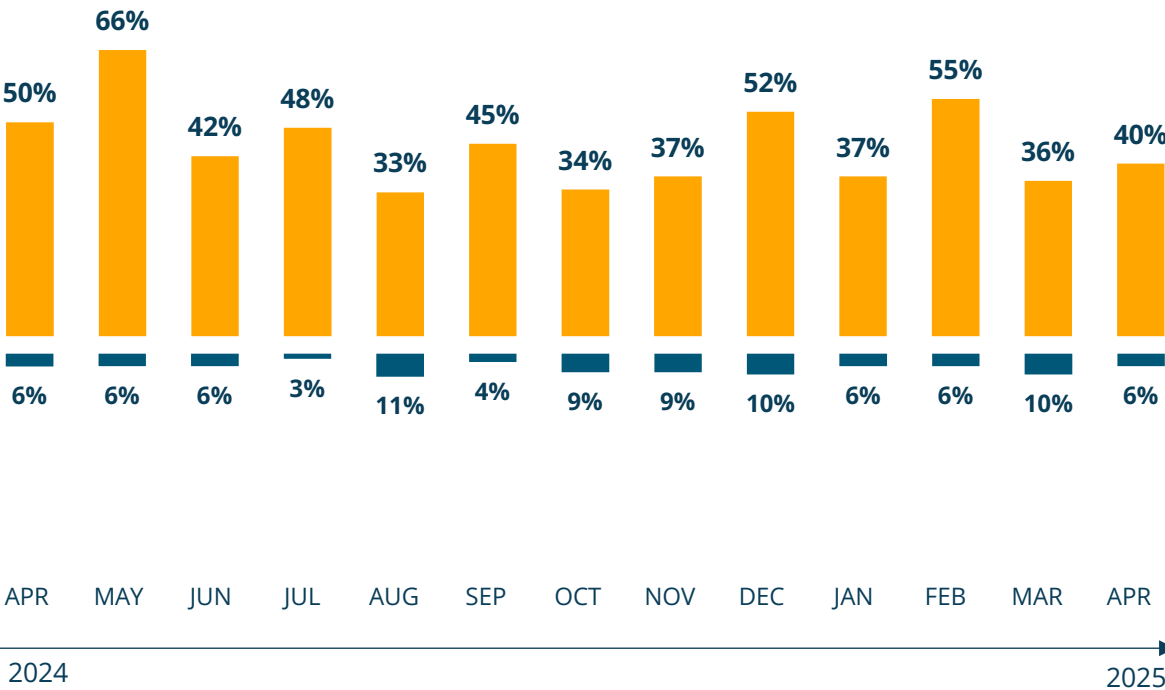
Overall, What Best Describes Your Approach To Business Over The Next 12 Months?

Concentrate on growth Exit/Downsize

0 -19 Employees

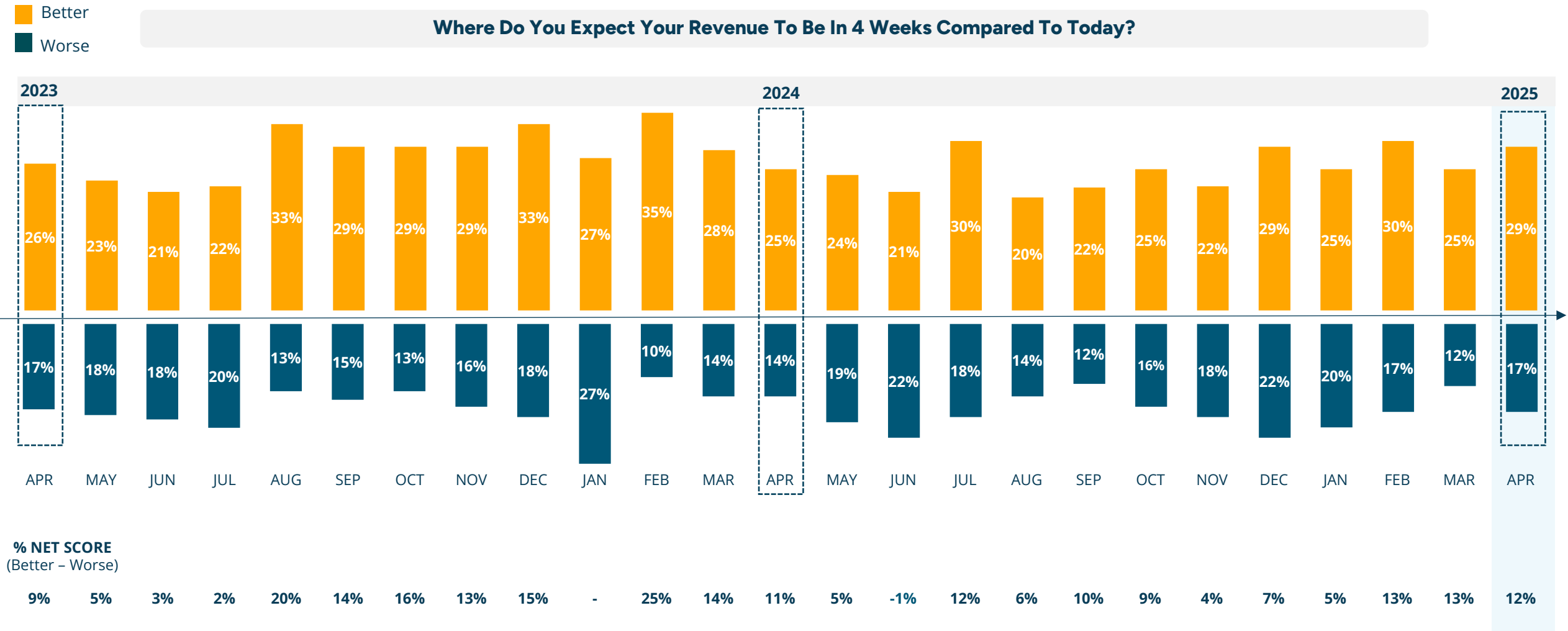


20+ Employees



Business Sentiment | Revenue Expectations (Next Four Weeks)

Despite low confidence in both global and local economies, short-term revenue sentiment has also improved. This suggests an underlying hope that the geopolitical climate may stabilise and that the political posturing will subside sooner rather than later.

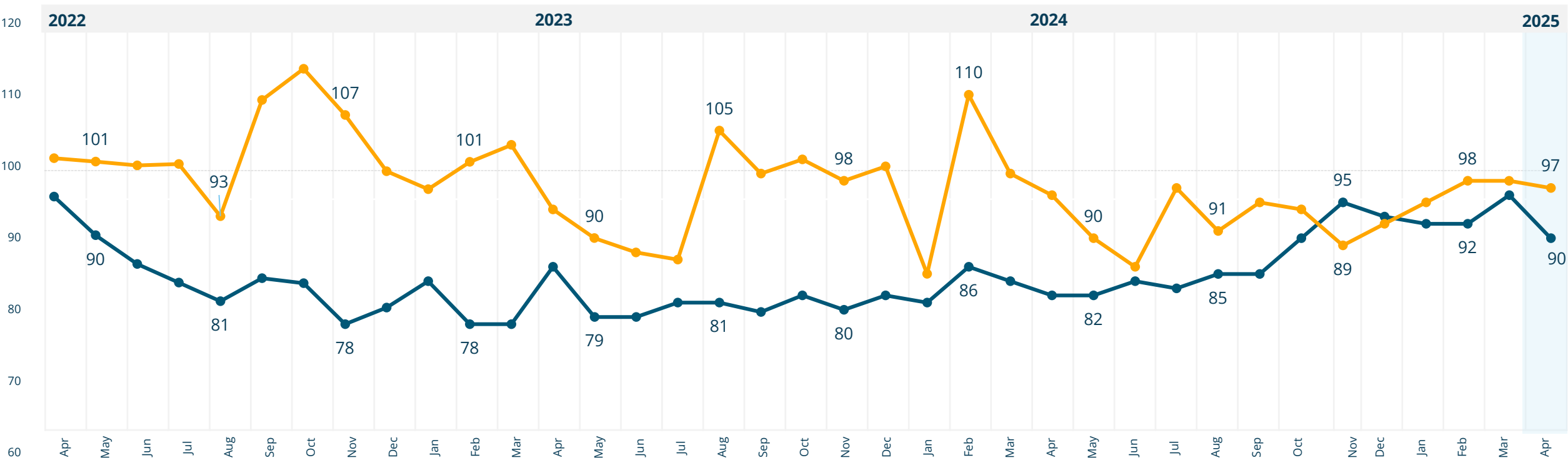


Business Sentiment | Sentiment Index

Despite numerous challenges, business sentiment remains slightly more positive than consumer sentiment.

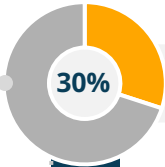
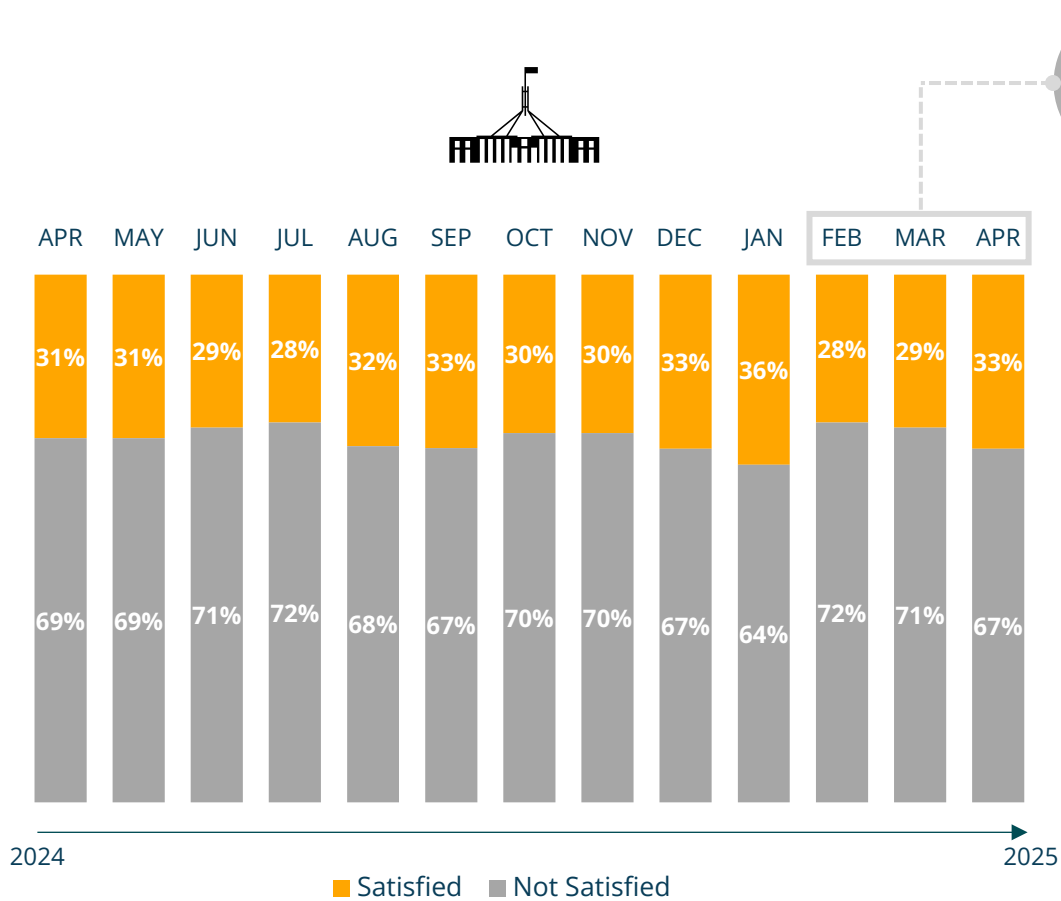
Business And Consumer Sentiment

Westpac-Melbourne Institute Consumer Sentiment Index FQ Business Sentiment



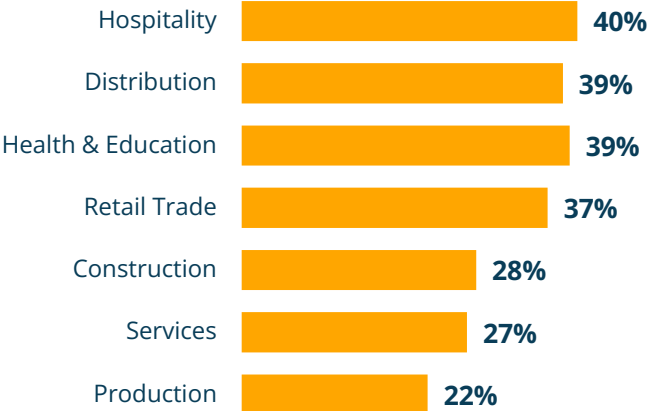
April saw a modest uptick in approval for the Federal Government ahead of the May election announcement. Given the incumbent Labor Party's landslide victory, it's evident that many dissatisfied voters ultimately supported the government, highlighting a perceived lack of viable alternatives among SME decision-makers.

How Satisfied Are You That The Federal Government Is Delivering Effective Policies That Support The Needs Of Your Business?

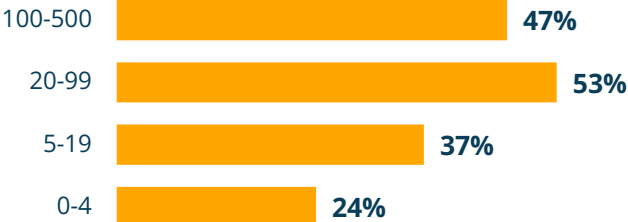


Last 3 Months (Feb, Mar, Apr)

Industry Groups



Employee Size





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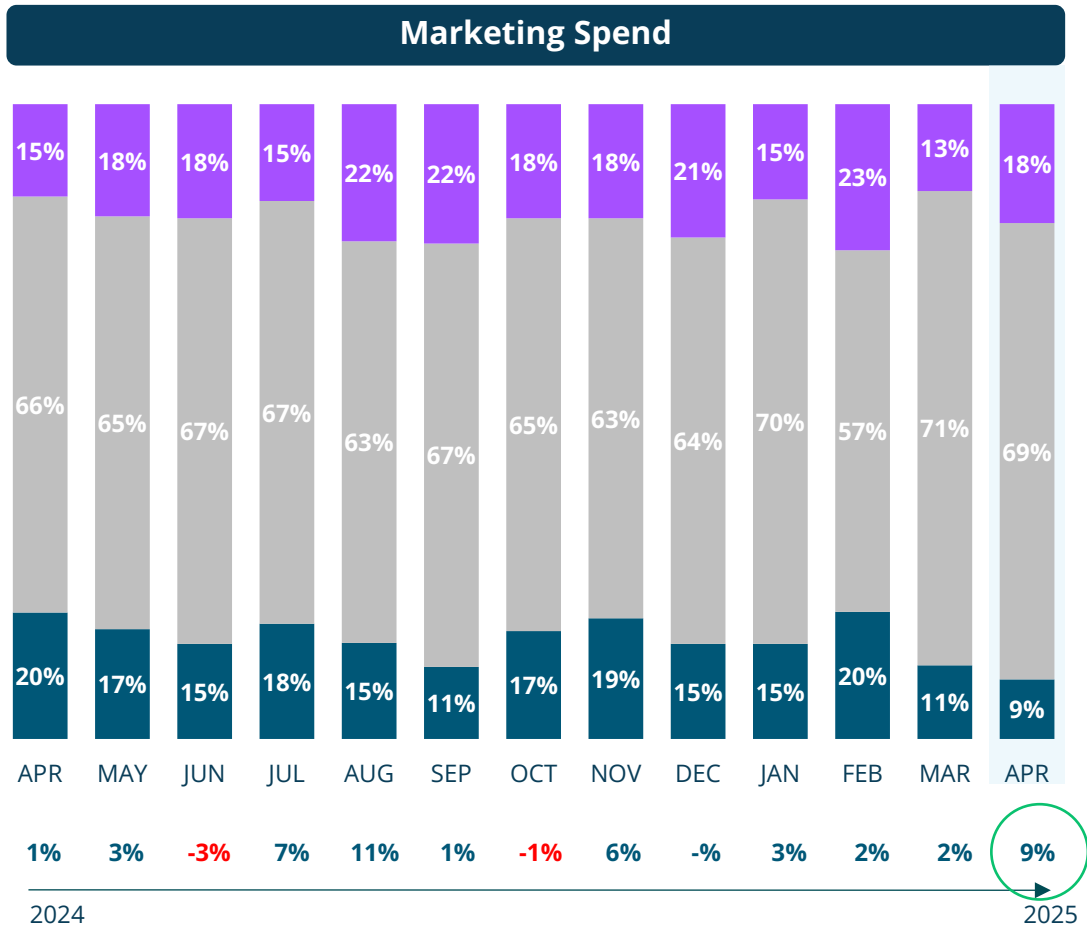
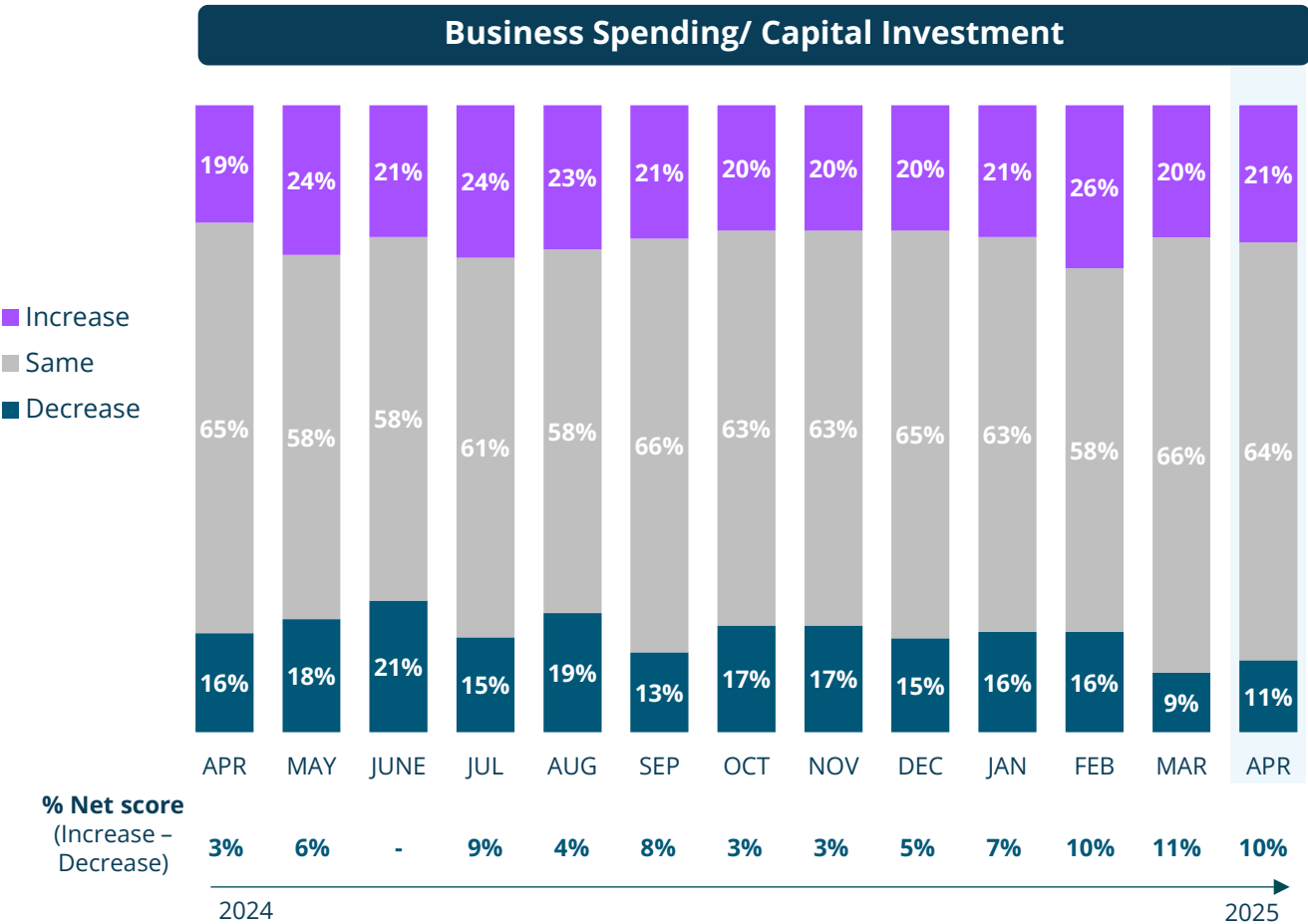
05

Methodology & Sample

Business Investment | Next Three Months

More positive sentiment toward marketing intent is evident, with 18% of SMEs projecting increased spend over the next three months.

Expectations Over The Next 3 Months Regarding Business Investment



Business Investment | Capital Expenditure

Longer-term capital investment trends continue to decline across the majority of categories, suggesting that SMEs are choosing to extend the lifecycles of their core equipment and vehicles rather than invest in new assets.

Which Of The Following Will You Purchase For Your Business Over The Next 3 Months?

April

	Probably will	Definitely will		Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Last 3M
IT / Office equipment, including hardware & software	31%	9%	41%	46%	45%	45%	47%	44%	43%
Equipment, machinery or plant	18%	3%	20%	26%	24%	24%	20%	25%	23%
Passenger vehicle(s) including SUVs	11%	4%	14%	16%	15%	15%	15%	14%	14%
Light commercial vehicle(s)	9%	3%	12%	15%	14%	14%	16%	11%	11%
Electric vehicle(s), including Hybrid	9%	2%	11%	14%	12%	11%	10%	11%	12%
Truck(s) less than 4.5 tonnes	8%	2%	9%	10%	9%	9%	9%	7%	9%
Agricultural, construction or earthmoving vehicle(s)/equipment	7%	2%	8%	13%	10%	10%	8%	9%	9%
Commercial real estate including buildings or land	6%	2%	8%	12%	9%	12%	10%	9%	9%
Truck(s) more than 4.5 tonnes	7%	1%	8%	10%	8%	6%	6%	6%	7%
Medium and large bus(es)	4%	1%	5%	9%	6%	6%	5%	6%	6%

In April, purchase intentions declined among both smaller and larger SMEs, pointing to a broader pause in capital-heavy investments across business size cohorts.

Which Of The Following Will You Purchase For Your Business Over The Next 3 Months? (Probably Will + Definitely Will)

0-19 Employees

IT / Office equipment, including hardware & software
Equipment, machinery or plant
Passenger vehicle(s) including SUVs
Electric vehicle(s), including Hybrid
Light commercial vehicle(s) including utes, vans, and minibuses
Commercial real estate including buildings or land
Agricultural, construction or earthmoving vehicle(s)/equipment
Truck(s) less than 4.5 tonnes
Truck(s) more than 4.5 tonnes
Medium and large bus(es) with more than 12 seats

Feb	Mar	April
42%	43%	39%
22%	24%	19%
11%	14%	13%
10%	13%	9%
8%	10%	10%
6%	9%	6%
8%	8%	7%
7%	7%	8%
6%	5%	7%
6%	5%	4%

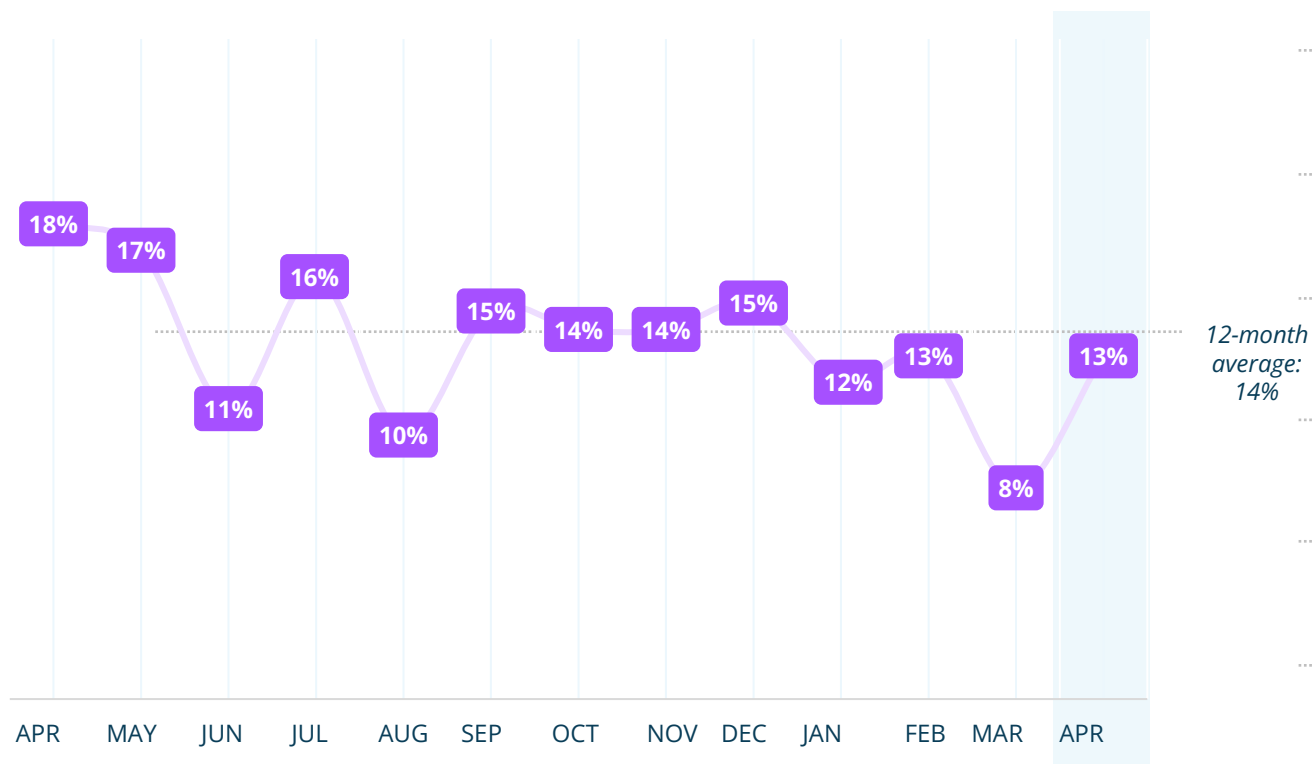
20+ Employees

Feb	Mar	April
66%	69%	62%
35%	37%	37%
32%	37%	36%
30%	27%	30%
30%	34%	31%
31%	26%	26%
28%	22%	21%
20%	25%	26%
27%	22%	16%
25%	21%	18%

Business Investment | Finance Needs (Next 3 months)

After a significant dip in March, demand for additional finance has rebounded to the 12-month average. Notably, demand for funds to support new market expansion has spiked, indicating that businesses are actively seeking alternatives to the United States.

SMEs That Will Require Additional Finance Over The Next 3 Months



And What Is The Purpose Of This Finance?

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Last 3M
Cashflow/ working capital	50%	62%	61%	60%	54%	54%
Fund growth in Australia	29%	20%	16%	23%	26%	24%
Purchase plant, machinery or equipment	25%	26%	23%	26%	18%	21%
Fund growth into new markets	24%	25%	22%	13%	13%	18%
Trade finance to fund import/export activity	17%	12%	13%	9%	17%	15%
Fund merger/acquisition	10%	10%	14%	7%	7%	4%

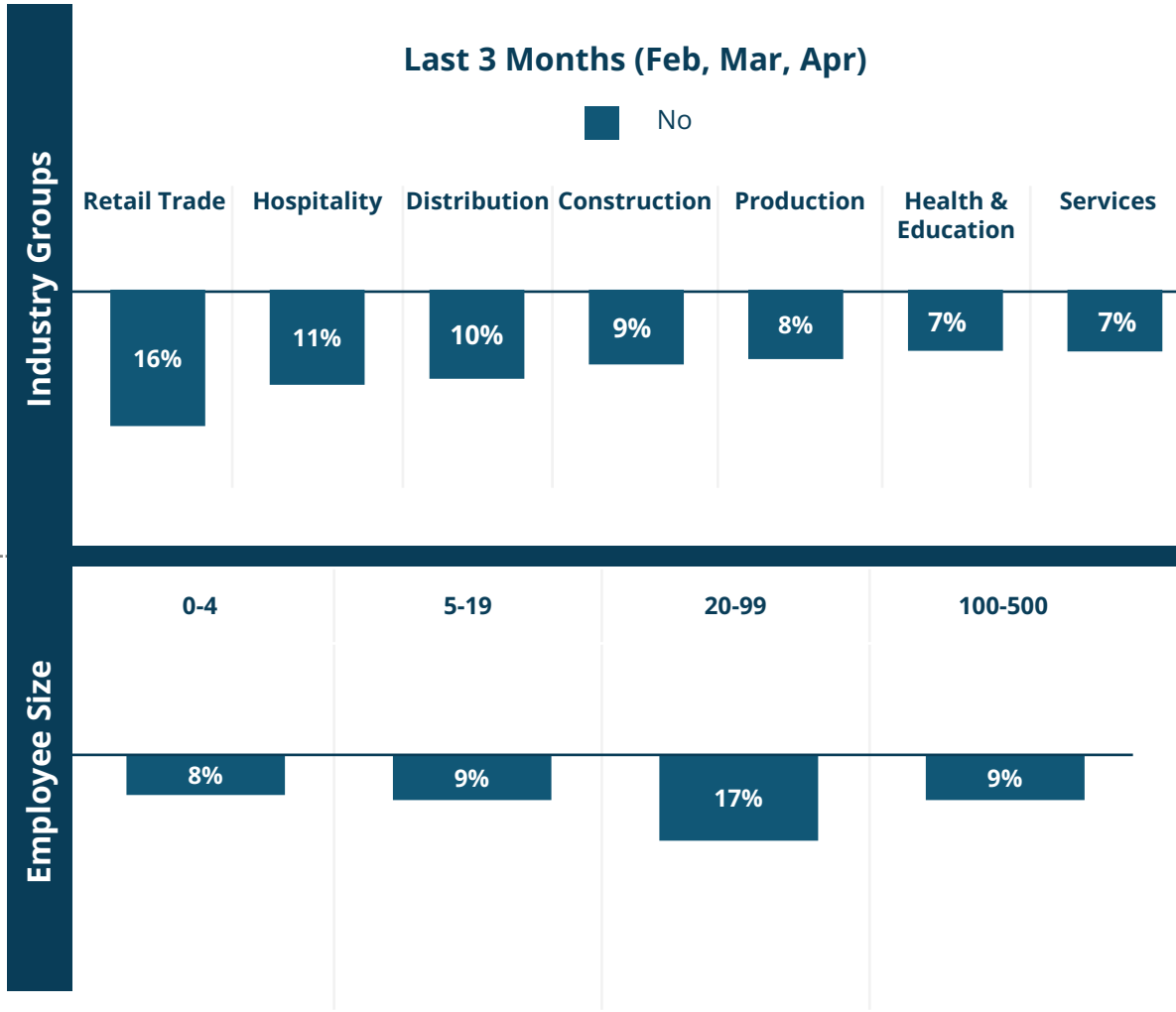
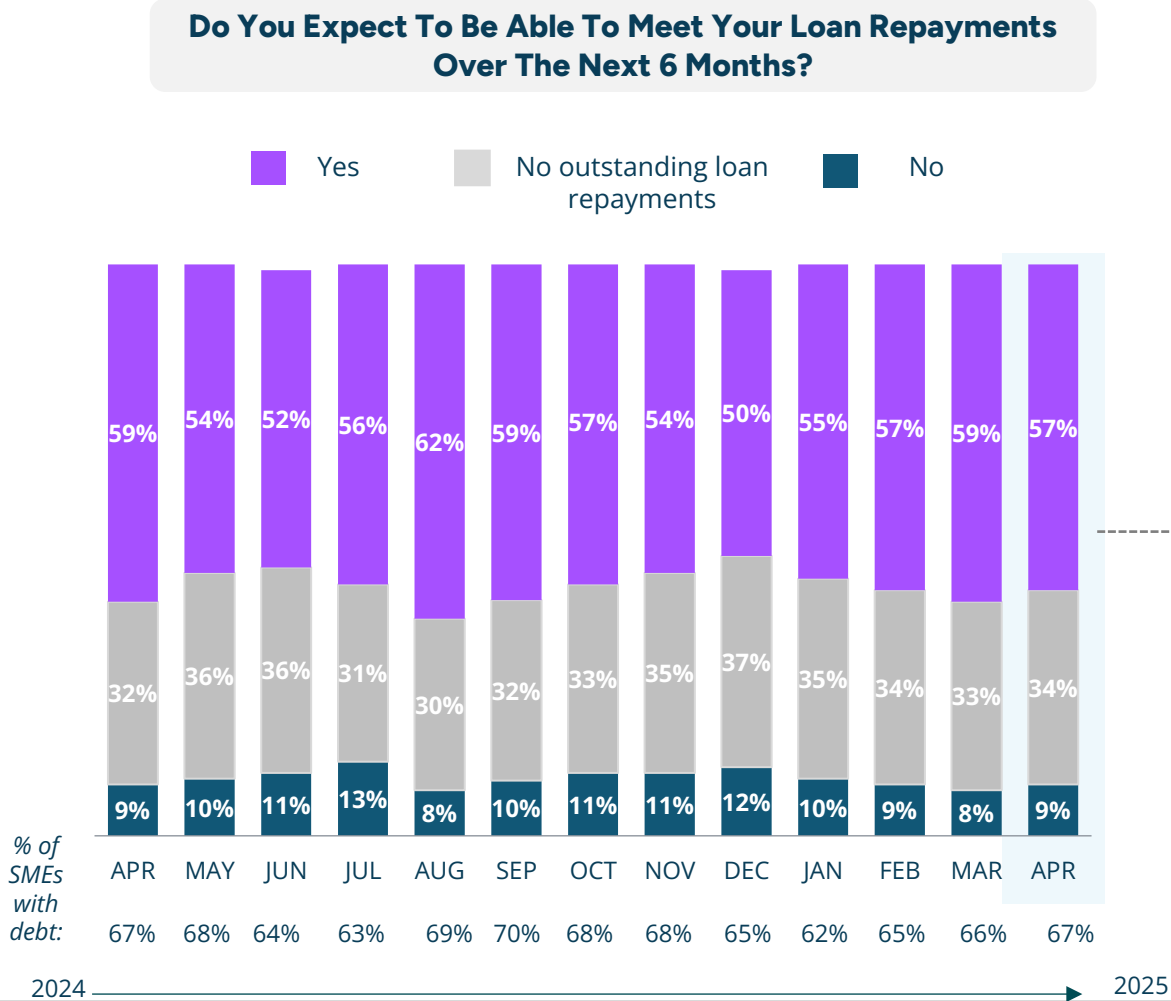
Business Investment | Finance Needs (Next 3 months)

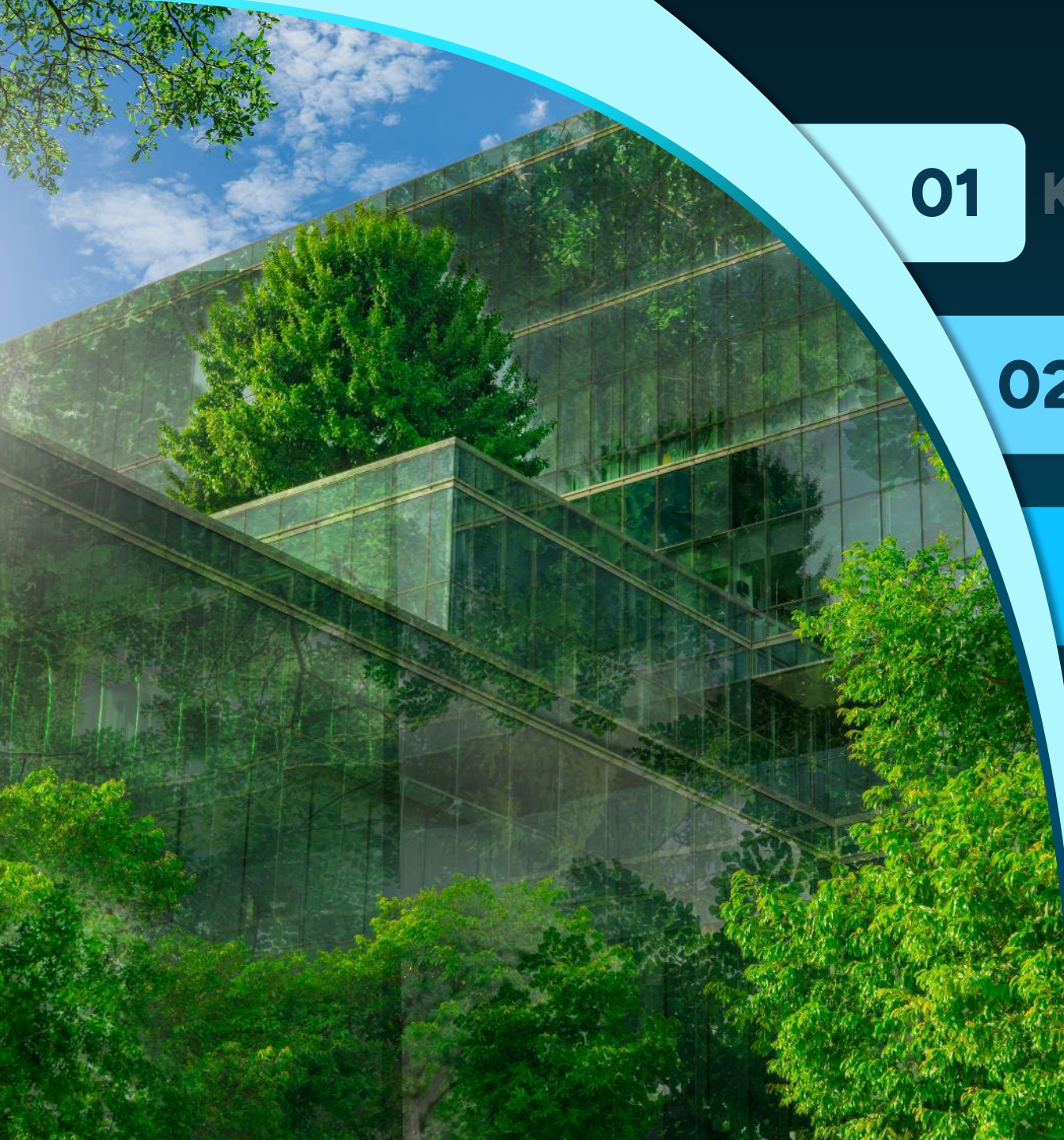
Demand for finance among larger SMEs (20+ employees) continues to follow a long-term declining trend. Demand within the construction sector also remains notably weak.

Will You Require Any Additional Finance Over The Next 3 Months? (Yes)

	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Last 3M
0-19 Employees	13%	14%	13%	14%	10%	11%
20+ Employees	28%	35%	26%	21%	24%	20%
Construction	13%	17%	14%	19%	9%	8%
Distribution	19%	13%	19%	16%	6%	16%
Health & Education	13%	17%	8%	8%	11%	11%
Hospitality	27%	29%	14%	17%	25%	25%
Production	17%	22%	16%	14%	12%	12%
Retail Trade	8%	11%	9%	9%	14%	12%
Services	12%	13%	13%	13%	11%	10%

Loan stress remained steady in April. Notably, consumer facing sectors such as retail and hospitality have experienced the highest levels of debt stress over the past three months.





01

Key Performance Indicators

02

People

03

Business Sentiment

04

Business Investment

05

**Methodology &
Sample**

▶ The SME Tracker was first launched 5th April 2020

▶ Monthly waves with a minimum of 400 completed surveys with small and medium businesses with up to 500 employees

▶ All respondents are business owners or financial decision makers/influencers

▶ Use of accredited research panels ensures a consistent sample of the national population across states and territories.



Respondents from across Australia, including **metro and regional** areas



All **industry sectors** are represented, allowing for subgroup analysis

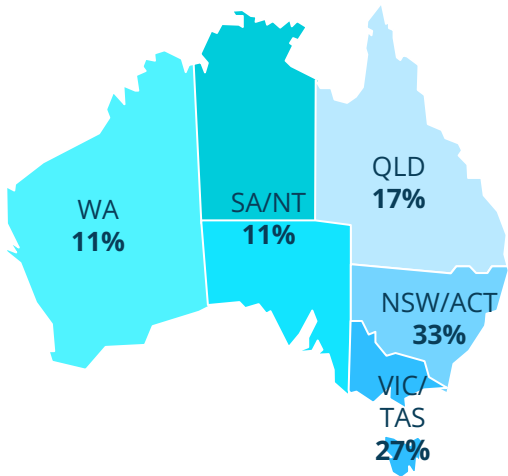


Data is **weighted** by industry, state and number of employees to reflect the national distribution of businesses across the country

Our Sample

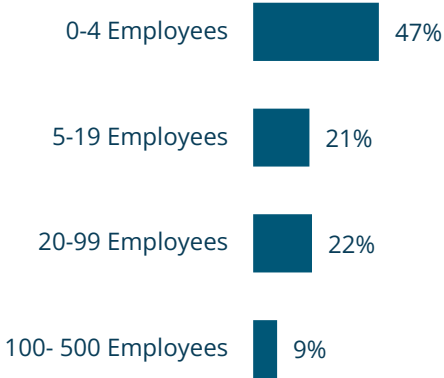
Key decision makers and influencers at SMEs across all states and territories responded to the survey. We target SMEs across all sizes and industry sectors. Data is weighted to reflect the actual distribution by industry, number of employees and state.

Head Office Location

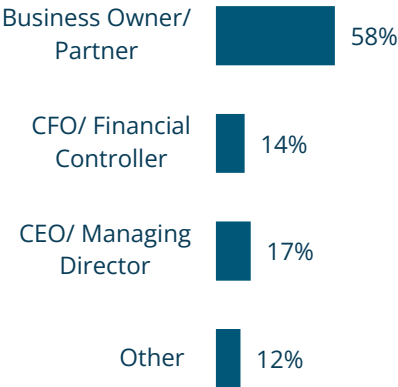


NOTE: CHARTS SHOW UNWEIGHTED DATA

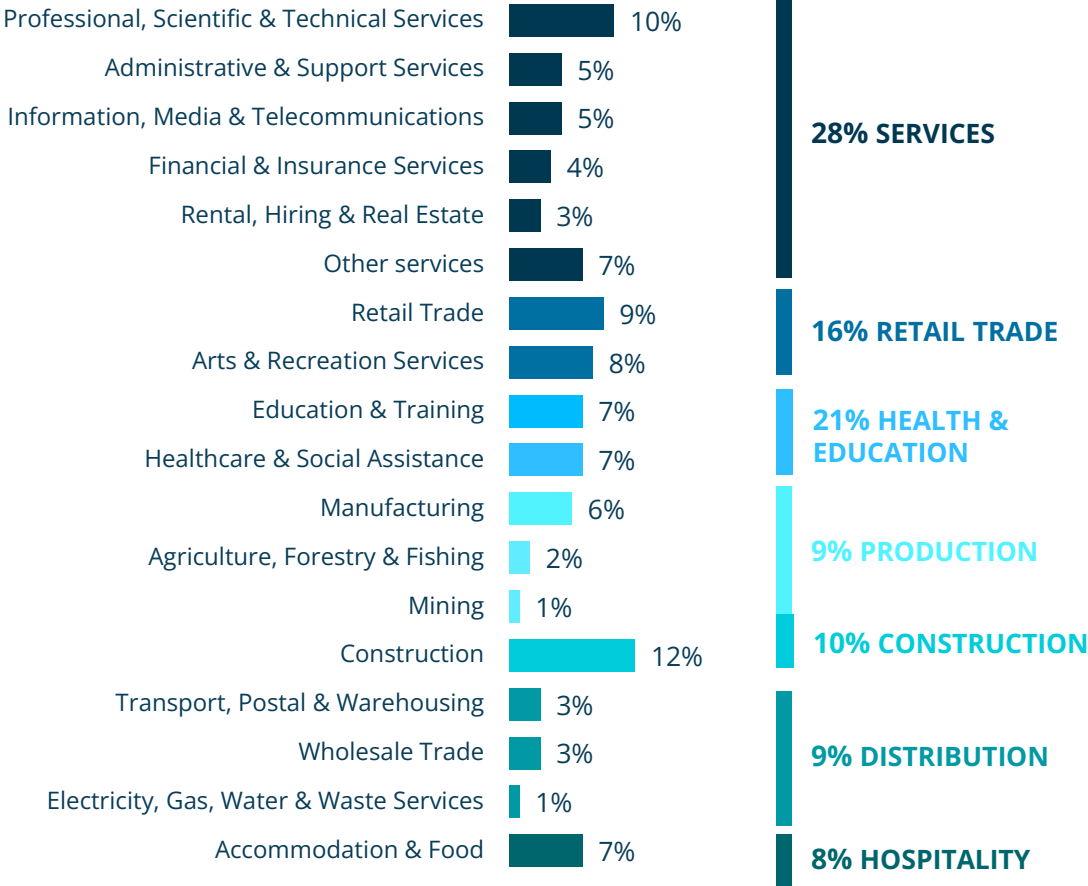
Size Of Business: Employees



Position In Business



Industry Sector



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